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ABSTRACT

Though conventional public schools enroll the vast majority of difficult-to-educate students, many such students who are not accepted by public schools end up at private schools. This report describes the role of private institutions in educating these students, incorporating case studies and analyzing various institutional arrangements. Part 1 introduces the subject; describes private programs (special education programs for students with disabilities, education for at-risk students, and education for incarcerated youth); and discusses alternative arrangements (charter schools, full inclusion, and cooperative agreements). Part 2 focuses on program analysis (performance measures, financial accountability, and student access) and policy issues (cost drivers, implications for school choice, and private schools, special education, and the courts). Part 3 looks at case studies of six Michigan facilities to indicate the diversity and capability of Michigan's nongovernment providers of education for difficult-to-educate students. Four appendixes present data on: financial incentives; states with legislation allowing public schools to contract for alternative education for at-risk students; defining characteristics of educational placements; and service providers and key contacts. (Contains 144 endnotes.) (SM)

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October 1997

A Mackinac Center Report

Do Private Schools Serve Difficult-to-Educate Students?

Janet R. Beales
and Thomas F. Bertonneau

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Analysis and Michigan case studies of how nongovernment schools educate disabled, at-risk, and incarcerated youth

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Do Private Schools Serve Difficult-to-Educate Children?

Analysis and Michigan case studies of how nongovernment schools educate disabled, at-risk, and incarcerated youth

by Janet R. Beales and Thomas F. Bertonneau

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by Janet R. Beales and Dr. Thomas F. Bertonneau

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Do Private Schools Serve Difficult-to-Educate Students?

EXECUTIVE SUMMARY

by Janet R. Beales

Students with disabilities. At-risk students. Adjudicated youth. These are students who challenge the capabilities of schools and parents alike. When public schools are unable to serve these students, they rely on private-sector providers to educate students under contract with government agencies. The private sector, including private schools, nonpublic schools, and homeschools, offers a wide variety of education programs for this population of students.

Conventional public schools enroll the vast majority of difficult-to-educate students. Contrary to a widely held perception, however, public schools do not accept everyone. Those students whom the public schools can not or will not enroll are often sent, at public expense, to private schools with expertise in educating a certain type of student. Public schools can not be expected to teach every child and teach all of them well. Where public schools lack specialization, they have invited private providers to educate special-needs students.

Contrary to a widely held perception, public schools do not accept everyone. Those students whom the public schools can not or will not enroll are often sent to private schools.

Special Education. According to the U. S. Department of Education, just over two percent of the nation's special-education population, or 100,700 students, attend private schools and nonpublic schools at public expense. Nonpublic schools enroll some of the most demanding students. Students with serious emotional disturbance account for 40 percent of the students enrolled in nonpublic schools.

Education for At-Risk Students. At-risk is a broadly defined category which can include dropouts, homeless youth, teen parents, abused or neglected children, students with substance abuse problems, or emotionally troubled youth. At least seven states have formal, legislated programs enabling public schools to contract with nonpublic alternative schools to serve at-risk students.

Corrections Education. Roughly 35,000 adjudicated juveniles are housed in 2,000 privately operated facilities, including training centers, ranches, shelters, halfway houses, and group homes. Since compulsory education laws also apply to incarcerated youth, private (as well as public) operators must provide academic instruction. Many facilities also provide related services such as behavior modification, counseling, and vocational training.

Private providers are well equipped to meet the special needs of difficult-to-educate students. Typically, they have developed expertise in serving a specific type of student. The private sector also offers a variety of learning environments, including residential schools, day

schools, charter schools, independent study programs, religious schools, and homeschools. Some private schools fully include students with disabilities in the regular classroom.

In addition to describing the role of private institutions in educating difficult-to-educate students, this report incorporates case studies and analyzes the various institutional arrangements in the context of performance measures, financial accountability, and student access to services. Six Michigan case studies are presented.

Policy recommendations include

- enhancing provider accountability by measuring student performance and linking results to funding;
- expanding public and private options for students;
- and eliminating unnecessary regulations.

Implications for school-choice policy are also discussed.

Current debates over public school system reforms should be informed by an understanding of the capabilities of nongovernment or alternative schools. State officials, school administrators, teachers, and parents should not sell short the achievements of private institutions.

State officials, school administrators, teachers, and parents should not sell short the achievements of private institutions.

Estimated Number of Private-Sector Schools and Facilities Serving Difficult-to-Educate Students in the United States

Special Education	3,000
Homeschools	4,100
Corrections Education	2,000
At-Risk Education	Not Available

PART I

by Janet R. Beales

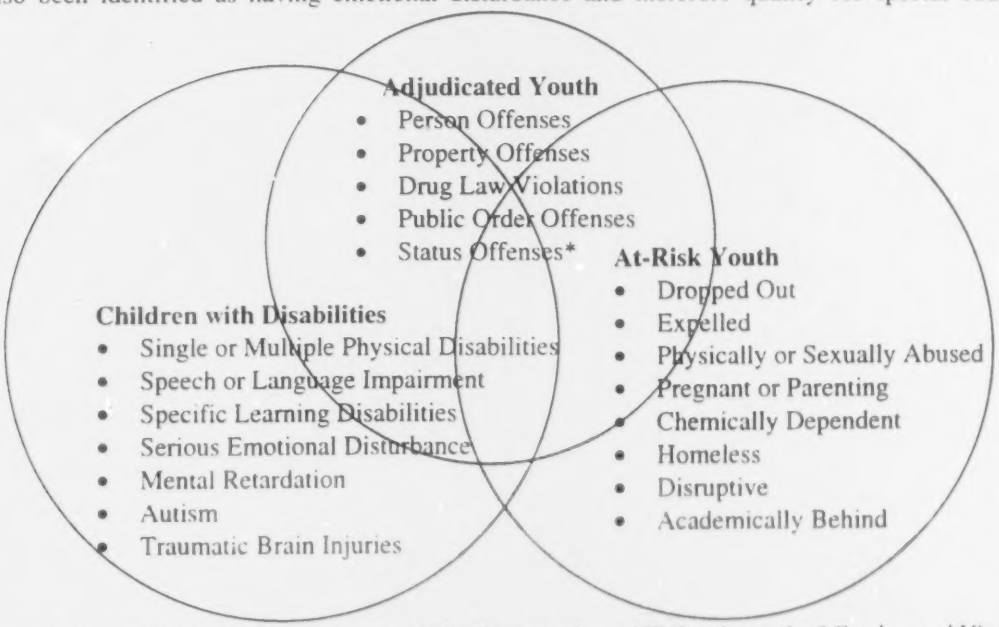
I. INTRODUCTION

Forgotten children. Troubled youth. Students with special needs. Whatever the euphemism, these are children who are not well served in conventional education settings. These are students who challenge the capabilities of schools and parents alike. Often they are difficult and costly to educate. Beyond academics, education can involve teaching behavior modification, independent living skills, or skills to help the student contend with a particular disability.

The private sector, including private schools, nonpublic schools, and homeschools, offers a wide variety of education programs for this population of students. Private-sector schools and programs exist to serve students with physical, mental, or emotional disabilities. Other private-sector schools specialize in meeting the needs of at-risk students—teen parents, substance abusers, homeless youth, dropouts, or academically undirected youth. Still others provide education and treatment services to adjudicated juveniles serving time for delinquent or criminal behavior (see Figure 1).

Figure 1: Population Overlap

Difficult-to-educate students defy simple definition. Considerable overlap exists among the special education, at-risk, and adjudicated youth categories used in this report. For example, many students who have been adjudicated by the courts have also been identified as having emotional disturbance and therefore qualify for special education under federal law.



Source: *Seventeenth Annual Report to Congress on the Implementation of IDEA, Juvenile Offender and Victims*

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Conventional public schools enroll the vast majority of difficult-to-educate students. Contrary to a widely held perception, however, public schools do not accept everyone. Those students whom the public schools can not or will not enroll are often sent, at public expense, to private schools with expertise in educating a certain type of student. Public schools can not be expected to teach every child and teach all of them well. Where public schools lack specialization, they have relied on private providers for help.

Private schools may operate under contract with government agencies and receive public funding. (For purposes of this report, such schools are referred to as nonpublic schools. Nonpublic schools may be either for-profit or nonprofit organizations and can also enroll students on a private-tuition basis.) Many private schools for difficult-to-educate youth, however, including schools with a religious orientation and homeschools, are supported primarily by private funding. (See Table I.) A growing number of charter schools—autonomous public schools—specialize in serving at-risk students. Some charter schools for at-risk students are operated by private companies.

Public schools can not be expected to teach every child and teach all of them well. Where public schools lack specialization, they have relied on private providers for help.

Table 1: Private-Sector Overview

Estimated enrollment and number of private facilities for difficult-to-educate students

Type of Education	Number of Schools	Number of Students
Special education	3,000[a]	100,700[d]
Catholic special education schools	195[b]	15,366[e]
Homeschools	At least 4,100[c]	30,000[c]
At-risk education	Not Available	Not Available
Shelters, halfway houses, group homes[f]	1,868[g]	24,500[l]
Ranches, camps, farms[f]	90[h]	3,551[m]
Training schools[f]	70[i]	6,275[n]
Reception centers[f]	15[j]	340[o]
Detention centers[f]	25[k]	590[p]

Notes: These figures underestimate actual numbers of schools and students because of the lack of comprehensive data about private-sector providers. See Part I Endnotes for sources and references.

The private sector has proven an important and viable provider of education for difficult-to-educate students. In serving this diverse student population, the private sector has spawned a wide variety of schooling options to meet the needs of individual learners.

The purpose of this report is to describe the role of private institutions in educating difficult-to-educate students. Part II of the report analyzes the various arrangements in the context of public policy. It will discuss the extent to which each arrangement incorporates performance measures, financial accountability, and student access to services. Implications for school-choice policy are also addressed.

II. DESCRIPTION OF PRIVATE PROGRAMS

As the educational needs of the student population have grown more diverse, educators have responded by creating specialized programs to serve students. For purposes of this report, we will examine private-sector educational programs for the following three student groups.[1] Because students may fall under more than one category, considerable overlap exists among the programs serving difficult-to-educate students. For example, many programs serving adjudicated youth also provide special education because a large portion of juvenile offenders have been identified with learning and emotional disabilities (see Figure 1). The three groups examined in this study are

- students with disabilities, including students with mental, physical, emotional, and learning disabilities;
- students demonstrating at-risk behavior, including dropouts, expelled students, teen parents, substance abusers, homeless youth, and students with poor academic performance; and
- adjudicated youth, including juveniles who have committed offenses against individuals, property, and the public order. This category also includes status offenders such as truants, runaways, and underage drinkers, and violators of drug laws.

A. Special Education for Students with Disabilities

1. Background

Roughly 5.37 million children with disabilities under the age of 22 receive special education services in the United States.[2] The U. S. Department of Education no longer collects information about the total cost of special education, but the Center for Special Education Finance estimates that in 1993-94, public expenditures for special education exceeded $32 billion.[3] In 1987-88, the most recent year in which comprehensive data was collected by the Education Department, public spending on special education totaled $19 billion from federal, state, and local sources.[4]

By far the most common disabilities are learning disabilities[5] (see Table 2). The proportion of learning disabled students more than doubled between 1976 and 1994, from 23.8 percent to 51.1 percent of all disabled students.[6] Special education policies and their funding mechanisms vary from state to state. As a result, the percentage of all school-aged children identified as having a disability ranges from a low of 7 percent in Hawaii to a high of 15 percent in Massachusetts.[7]

Sector Snapshot

The use of private providers is well established in special education and includes both for-profit and nonprofit schools and services. Federal law dates a continuum of service options at public expense for students with disabilities, creating steady demand for the services of contract providers. The special-education sector is characterized by local providers specializing in particular disabilities, serving niche markets. In addition to operating schools, the private sector also provides services such as student assessment, counseling and therapy, residential treatment, and transportation to students with disabilities. The U. S. Department of Education reports that just over two percent of the nation's special-education population, or 100,700 students, attend nonpublic schools.

Number of private special-education schools: 3,000

Table 2: Disability of U. S. Students Age 6 through 21[8] (1992-93)

Disability	Number of Students	As a Percentage of Students with Disabilities
Specific Learning Disabilities	2,369,385	51
Speech or language impairments	1,000,154	22
Mental retardation	533,715	12
Serious Emotional Disturbance	402,668	9
Multiple Disabilities	103,215	2
Hearing Impairments	60,896	1
Orthopedic Impairments	522,921	1
Other health impairments	66,054	1
Visual impairments	23,811	<1
Autism	15,527	<1
Deaf-blindness	1,425	<1
Traumatic Brain Injury	3,903	<1
Total	5,103,674	100

(Source: *Sixteenth Annual Report to Congress*)

When Congress passed the landmark Education of All Handicapped Children Act (P. L. 94-142) in 1975, it set in motion a legislative mandate that would fundamentally alter the way students with disabilities are served in the public schools. The act, later renamed the Individuals with Disabilities Education Act (IDEA), provides federal funds to states for the purpose of educating students with disabilities. In order to receive such funds, IDEA requires that states adopt specified policies and procedures for special education. IDEA mandates that every child with a disability be provided with a free appropriate public education—regardless of cost. Because the term "free appropriate public education" (FAPE) has never been well defined, parents and educators often disagree over how a child is to be educated, which can lead to intense litigation.

The average per-pupil cost of special-education is two-and-one-half times greater than the cost of general education.

The cost of a special education, in the public or private sector, is considerably higher than regular education. A Reason Foundation study of the Los Angeles Unified School District found that the average per-pupil cost of special-education is two-and-one-half times greater than the cost of general education.[9] In extreme cases, the public's cost of educating a single student, including such support services as residential care and out-of-state transportation, can approach $80,000 annually.

IDEA requires that schools provide a continuum of placement options, including various placement settings within the public schools, and placement in nonpublic schools. Because of the law's emphasis on placing children in the least restrictive environment, public-school officials first attempt to place a child in the public schools, even when the student may spend little or no time in the regular classroom. (Note: The least restrictive environment policy assumes that students with disabilities are best served in placements which integrate them with their non-disabled peers, which is not necessarily true for every student.) Only after failing to place or serve the student in the public schools will public officials consider placement in a nonpublic school.

2. Nonpublic Schools

When public schools or agencies cannot serve a particular student, they may contract with a nonpublic school to educate that student. Nonpublic schools are privately operated nonsectarian schools which are registered or licensed with the state to provide special education and related services under contract with government agencies. Tuition at nonpublic schools is at public, not parent, expense. The U. S. Department of Education (using state-reported data) reports that just over two percent of the nation's special-education population, or 100,700 students, attend private-sector schools, which can include residential care.[10] Of that number, 43,795 students are placed in private schools at private expense.[11] Another 3 percent, or 159,000 students with disabilities, attend school in separate public facilities.[12] (Note: These figures significantly understate private and nonpublic school enrollment because of state reporting omissions.)

The 1994-95 *Directory For Exceptional Children*, lists roughly 3,000 private and nonpublic special-education schools and facilities.[13] Nonpublic schools tend to be narrowly focused, developing expertise at serving children with specific disabilities. Nonpublic-school costs vary widely, depending in large part on the nature of the disability category served. The cost of educating a student in a nonpublic school may also include the cost of residential and medical care, and transportation.

For example, the nonpublic Highland Hospital and Homewood School in Asheville, North Carolina, provides residential, hospital, and educational care to socially maladjusted children requiring intensive psychiatric care. In 1994-95, Highland Hospital and the Homewood School served 27 boys and girls ages 12-18 at a per-pupil cost of $689 per day, or $250,000 on an annualized basis.[14] (Because the students' length of stay varies in this type of setting, rates are often expressed as a daily, rather than annual or monthly, fee.) By contrast, the Atlantis Academy, a nonpublic day school in Miami, Florida, serves students with moderate learning disabilities at a per-pupil cost of $7,800 per year.[15]

Nonpublic schools specialize in just about every kind of disability. Because public schools often cannot accommodate children with severe disabilities, nonpublic schools tend to enroll some of the most demanding students. For example, students with serious emotional disturbance (SED) account for 40 percent of the students enrolled in nonpublic schools. About half the children suffering from a traumatic brain injury are placed in private settings. (See Table 3.)

Children with severe disabilities also tend to involve higher costs of education and care. Lower student-teacher ratios, greater use of support services such as physical and occupational therapy, counseling, and medical services, and the use of specialized equipment and facilities all make special education more expensive relative to regular education.

Nonpublic schools, when enrolling higher-needs students, may have the appearance of being a higher-cost provider relative to public schools, when in fact they may be competitive or even lower cost than the public schools for a given type of student. The full costs of nonpublic schools are easily identified whereas the costs of public services are often incompletely reported due to cross-subsidizing, excluded costs, and other reporting errors. Few studies exist comparing the total costs of nonpublic schools and public school placements for a given level of service.

Nonpublic schools specialize in just about every kind of disability. Because public schools often cannot accommodate children with severe disabilities, nonpublic schools tend to enroll some of the most demanding students.

Table 3: Private Placements by Disability Type

Children aged 6-21 placed in nonpublic and private schools (NPS) and residential facilities by disability,[16] 1991-92.

Disability Type	Number of Children in NPS Placements	Percent of NPS Placements	Children in NPS as a Percentage of All Special Education Placements[17]
Serious learning disability	8,753	12	1
Speech and language impairment	12,190	16	1
Mental retardation	7,334	10	1
Serious emotional disturbance	30,075	40	8
Multiple disabilities	7,370	10	8
Hearing impairments	2,709	4	5
Orthopedic impairments	1,146	2	2
Other health impairments	837	1	2
Visual impairments	1,656	2	7
Autism	1,129	2	11
Deaf-blind	101	<1	55
Traumatic brain injury	1,040	1	2
All disabilities*	73,340	100	2

*Note: Total is for ages 6-21 only. Ages 3-21 in private placement equals 110,700 children.[18]

A variety of funding arrangements for nonpublic schools exist depending on particular states' funding formulas. (See Appendix I.) Funding for nonpublic-school placements may be fully reimbursed by the state or fully paid by the local school district (which receives additional revenues from the state and federal governments to defray the costs of special education). More often, however, costs are shared between local and state-level agencies. It is generally believed that when local agencies must pay a share of the placement costs, they will have a greater incentive to contain those costs.

Government agencies other than education, such as the departments of health, mental health, juvenile justice, and social services may pay part or all of the costs of nonpublic-school placements, especially if the student is also receiving residential care. The funding formula may divide costs on a percentage basis or by functional area of jurisdiction. For example, the local school district pays 30 percent of the costs of a nonpublic placement, with the state picking up the remainder. Or, a social services agency pays the residential portion and the school district of residency pays the education portion for a student.

Another source of funding is the federal government. IDEA provides roughly eight percent of the funds allocated to special education by all levels of government.[19] Additional federal funding programs for special-needs students include Medicaid, Head Start, Title 1, and Aid to Families with Dependent Children. Many nonpublic schools (particularly those with nonprofit tax status) also depend on private donations, though this tends to be a small portion of their overall budget. Funds may also come from the private insurance of students' families.

By law, parents or guardians may participate in designing their child's Individualized Education Plan (IEP) which directs where a child will be placed. Parents do not have the unilateral authority to make placement decisions for their child if the placement is at public expense. Occasionally parents, however, have successfully litigated under IDEA to force the public-school district to pay for the placement they have chosen for their child.[20]

3. Private-Tuition Schools

Some parents opt to place their children independent of government involvement. At least 43,795 students with disabilities attend special private schools at parent expense.[21] These include private nonsectarian schools, private religious schools, or nonpublic schools (which sometimes enroll students on a private tuition basis in addition to students enrolled under public-agency contract).

At least 43,795 students with disabilities attend special private schools at parent expense. Private schools may decline government support for several reasons.

As of 1989, the most recent year for which data is available, Catholic church organizations operated 195 private schools throughout the United States specializing in educating children with disabilities.[22] Among them are the St. Lucy Day School in Pennsylvania for children with visual impairments; the Mary Immaculate School in Toledo, Ohio, which serves learning disabled and crack-affected children; and St. Coleman's Home in New York for children with autism and emotional disturbance. (See Part III for Michigan examples.) Other religious denominations, including the Jews, Mennonites, Quakers, Lutherans, Baptists, Methodists, Presbyterians, and Episcopalians also operate private special-education schools.

Parents may choose a private school forgoing public funding when they feel the school better meets the needs of their child. "A lot more money doesn't always mean you get what you want," says parent Sherry Quist. She enrolled her daughter in the Mercy Special Learning Center, a private Catholic school specializing in educating students with mental retardation. Says Quist:

> *We looked at all our options. Our public school was very cooperative, but this was the setting we chose. . . . What's important to me is the setting. I know she's not only being taught and protected, she's also being loved. Here I know she'll receive a hug if she needs it.*[23]

Private schools may decline government support for several reasons. Some have a religious emphasis, which generally precludes public funding under current constitutional interpretations. (Private religious and secular schools can receive some public funding for compensatory education, curriculum and supplies, equipment, transportation, and health-related services. See discussion on page 44.) Public funding can also bring with it additional regulations such as class-size limits, mandated student-teacher ratios, mandated admissions, personnel requirements, etc., which may interfere with the school's particular instructional approach.

The Maplebrook School, a private, nonsectarian school serving low-intelligence, learning-disabled students, discontinued its contractual relationship with New York state in the 1970s. Says Maplebrook headmaster Roger Fazzone, "the state did not pay on time and it forced the school to enroll students who did not meet the school's admission criteria." Now, says

Fazzone, "Tuition bills get paid on time and we don't worry about borrowing money to meet payroll. . . . We're able to select the youngsters we feel we can serve."[24]

There has been a third unanticipated benefit of the policy change, says Fazzone. "We tend to attract a group of parents who take responsibility for their children's education and don't depend on the state. So many parents go through the process of trying to get the public schools to pay; they become antagonistic, blaming the state, blaming the system. Here, rather than blaming the state when their children aren't learning, they take a more active part in designing their youngster's education."

Some 30,000 children with disabilities are homeschooled in the United States.

The annual cost per student at the Maplebrook School is $31,700, including room and board, compared to the $55,000 cost of New York's state school for learning-disabled students, according to Fazzone.[25] (Tuition at Maplebrook is actually $28,500 with the cost difference made up through fundraising.) Scholarships are available for low-income Maplebrook students.

Meaningful cost comparisons between publicly and privately funded programs can not be conducted because of a lack of comprehensive financial data about public-sector programs. For purposes of public policy and its implementation, information about the cost differences among various placement options would be useful.

4. Homeschools

A third private placement option is the homeschool. Tom Bushnell, president and director of the National Challenged Homeschoolers Associated Network (NATHHAN), estimates that some 30,000 children with disabilities are homeschooled in the United States.[26] Membership in NATHHAN, an information and resource network for families homeschooling special-needs children, numbered 4,100 families in 1996.

Bushnell says parents turn to homeschooling for many different reasons. Some want control over curriculum and its religious and moral content. Others feel a regular school doesn't provide a safe environment for their special-needs child or doesn't provide enough protection against "school-yard bullying" by other nondisabled students. Some parents resent the labeling of their children. Still others turn to homeschooling after confrontations with public-school officials over how best to educate their child.

Says Bushnell, who homeschools a blind daughter, a child with Down syndrome, and a child with cerebral palsy, "Sometimes it's easier to do it yourself than fight. When you have to go to an IEP [Individualized Education Plan] meeting and face a multidisciplinary team of six or eight professionals, it's stressful. It's you against the world. Parents get tired of fighting." And, he says, parents worry that the adversarial relationship with the public schools will affect the quality of care the schools give their child. "Would you want someone who you had to fight in an IEP meeting put a catheter into your child? " asks Bushnell.

Devorah Weinmann began homeschooling her eldest daughter, who has a learning disability, after the school psychologist refused to allow her daughter to start school one grade level below her age group. Says Weinmann of her adopted daughter, "She had been through five [foster care] placements by the age of four-and-a-half. She went through hell and back to

become fairly secure. [The schools] weren't looking at her as an individual. . . . She would just be shuffled along until she failed. I said, 'I'm not doing this.'"[27]

Now Weinmann homeschools all four of her children, three of whom have disabilities. She uses instructional materials altered to suit their needs and creates lessons from everyday experiences. Each child has an apprenticeship position for one-hour per week with a local business, for example. Weinmann's nine-year-old son apprentices at a produce store. He feels responsible and valued for his work. And he sees how business runs, says Weinmann. To comply with New York state laws pertaining to homeschools, Weinmann has her children tested by an independent evaluator annually or biannually depending on their age, to measure their academic progress.

Homeschooling for children with disabilities is legal in every state. But some states have enacted legislation hostile to its practice. For example, in Arkansas, parents must hold a valid special-education teaching certificate if they wish to provide to their children non-academic, special-education courses, such as occupational and mobility therapy. In Oregon, public-school educators must participate in the design of the student's home-study plan, even if the homeschooling family declines government support.[28]

"Whenever you take money from the school district, the potential for the school district to tell you how to raise your child is always going to be there."

Public funds and services, depending on the state's laws, are often available for homeschooled children with disabilities. Bushnell counsels parents against accepting them, fearing government intrusion. "As an organization, we encourage parents, if at all possible, to do it without government funding. . . . Whenever you take money from the school district, the potential for the school district to tell you how to raise your child is always going to be there." Bushnell recounts complaints from homeschooling parents who have been contacted by social-service agencies, or hotlined to the Child Protection Services by anonymous callers concerned about homeschooling. Says Bushnell, "These parents love their children and want what's best for them. They take their responsibility very seriously. What they want from government is they want to be left alone."

5. Performance Outcomes

With few exceptions, useful performance measures are lacking in special education. Virtually no information exists allowing educators to compare student outcomes among different placements. In addition, the costs of special education are rarely considered together with actual student results.

"[T]here has been very little information about the educational results of this group of students," reports the U. S. Department of Education in its annual report to Congress about students with disabilities. The department notes that students with disabilities are disproportionately excluded from state and national assessments for a variety of reasons.[30] According to the report:

> *Guidelines about inclusion and exclusion, where they exist, are inconsistently applied. Students may be excluded for reasons that are only incidental to their disability for example, telephone surveys usually exclude people who are deaf or use telecommunication devices. National education surveys often do not include special schools. On some school sampling rosters, all students within a specific category*

were excluded. Many large-scale assessment programs allow exclusion of students who might experience discomfort during testing, thus excluding a substantial proportion of students with mental, emotional, and/or physical disabilities. Finally, exclusion may occur if administrators feel the students' test scores would lower a school's or district's performance level.[38]

CASE STUDY 1: Kids 1, Inc., East Brunswick, New Jersey

Kids 1 provides management and instructional services for children with disabilities throughout the state of New Jersey. The High Road Schools, two nonpublic day schools which form a division of Kids 1, enroll 250 students in grades preK-12 under contract with local public school districts. Students at the High Road Schools may have developmental delays or neurological impairments manifesting themselves as learning disabilities, speech impairments, or attention deficit disorders. Students may have low or high levels of intelligence. The IQ of High Road students ranges from 75 to 140.

Before the student is placed, says Kids 1 president Dr. Ellyn Lerner, the student has typically experienced a spiraling down in behavior with either numerous suspensions or teacher conflicts. Says Lerner, "The child typically interferes with the learning of other students in the classroom until there is noticeably diminished learning going on in the classroom. That's when public schools often outplace the most disruptive child."[29]

In addition to academics, the High Road Schools emphasize behavior modification and vocational skills. Classroom environments are highly structured with low student-to-teacher ratios. Students develop job skills in the restaurant, giftshop, and beauty salon operated by High Roads. Students may create their own small businesses, which have included a carwash service, hotdog cart, and ice-cream stand. Secondary students also learn on-the-job skills through off-campus internships.

Student outcomes are constantly measured and evaluated on several dimensions. For example, on a daily basis, teachers measure the student's incidence of disruptions, amount of time on task, etc. High Roads also measures the student's mastery of specific subjects, and breadth of knowledge across subject areas. Every three years, the student's academic, social, and psychological progress is measured through state-mandated assessments. Says Lerner, "Outcomes for special education are real tough. We're looking for better measures, such as future employment." After ten years of operations, longitudinal information about High Road alumni is just now becoming available. Among the eight students who completed High Road's two-year job training program, seven are currently employed, says Lerner.

As a group, students with disabilities have higher rates of absenteeism, are more likely to drop out, and earn lower grades than their nondisabled peers.

Only recently has the U. S. Department of Education begun to measure the achievement of public-school students with disabilities as a group. Existing research indicates that students with disabilities fare poorly. As a group, students with disabilities have higher rates of absenteeism, are more likely to drop out, and earn lower grades than their nondisabled peers.[39] Taken from the National Longitudinal Transition Study, the research evaluated results only from regular public secondary schools; students in private schools, nonpublic schools, and separate public schools were not included in the study. More refined measures

are needed, so that parents and educators can identify educational placements that result in improved student achievement.

Nonpublic and private schools are also attempting to offer more conclusive evidence about the value of their programs. Says Gerard Thiers, executive director of New Jersey's Association of Schools and Agencies for the Handicapped (ASAH), "The National Report to Congress indicates high rates of failure. Our [nonpublic school] members think they're more successful getting kids into the community and getting them employed. We think we're more effective and we want to get the data."[40]

CASE STUDY 2: Devereux, Santa Barbara, California

Begun in 1912 by Helena Devereux in Pennsylvania, Devereux is a nonprofit, nationwide network of educational, residential, and care programs for people with emotional disorders and developmental disabilities. Schools operate in 13 states and the District of Columbia.

At Devereux Santa Barbara in California, some 45 school districts contract for special-education services. In 1995, approximately 110 children resided at Devereux.[31] Of those, 20 attended Santa Barbara public schools on a full- or part-time basis; the rest attended Devereux's on-site nonpublic school. Altogether, Devereux Santa Barbara serves over 200 children and adults living both on and off the 33-acre campus. Devereux serves students with IQs ranging from 40 to 100 points. Some 60 of its residents have autism.

In 1995, Devereux Santa Barbara's total operating budget for adult and child residential treatment and other services was $16 million, of which $2.8 million was budgeted for education. Roughly $50,000 of the education budget comes from private fundraising.[32]

The base cost per-pupil at Devereux Santa Barbara was $130 per day in 1995.[33] Most Devereux students are also enrolled in the center s residential treatment program at an additional cost of $4,100 per month.[34] Costs for pupil transportation and services such as psychological counseling, medical treatment, speech and other therapies, are additional. Devereux Santa Barbara employs 412 full-time equivalent staff including doctors, psychologists, teachers, social workers, and residential workers.[35]

Says Devereux Executive Director Thomas McCool, "We're at the higher end [of tuition costs]. If you look at our school program, we have the most intense kids that come from all over the state of California and also from out of state." Typical treatment lasts 1-4 years.

"Most of the kids we get are severe ed [in need of intensive services] and they're not going to get cured. So the best thing to do is to help them get through their adolescence so they don't end up in a hospital program or worse, on the street. We try to work with them and the family to develop behavioral controls and to identify what kind of supports they're going to need as adults," says McCool.

Students who don't progress are referred to a more restrictive setting such as a state hospital, where costs tend to be higher. Student achievement is measured by moving to

Case study continued on next page.

Case study 2, continued.

progressively less-restrictive settings, so they ultimately can live as independently as possible.

Devereux also runs a program for adjudicated youth in Kennesaw, Georgia. Many of these children are violent and/or have antisocial behavior. These students are viewed by the courts as being emotionally disturbed and therefore qualify for special education. Explains McCool, "If you went to this program and observed its entry level, you might think it was a prison. However, it's all run by clinical staff. The furniture is bolted down or too heavy to move, and the physical structure is very prison-like." From this program, students can move to a less restrictive residential setting and on to a group home before leaving. Many do not make it through the program successfully and end up in prison, but many others benefit from it and lead productive lives as a result, says McCool.[36]

The cost of the Devereux program in Georgia program is over $350 per day per juvenile.[37] Says McCool. "A lot of it is pay now or pay later. The secret is trying to get people to understand what's being paid for and what the alternatives cost."

At-risk students are often caught in an education no-man's land; they are neither eligible for extra services through special education, nor are they well served by regular education.

B. Education for At-Risk Students

1. Background

A catch-all category, students at-risk are those who struggle academically and/or socially in school. At-risk students are often caught in an education no-man's land; they are neither eligible for extra services through special education (unless they have a disability), nor are they well served by regular education. There is no standard definition of at-risk, but the term is generally used to indicate students who, for a variety of reasons, are likely to drop out, or fail out, of school. The Minnesota Department of Education describes at-risk students as those meeting at least one of the following criteria:[41]

- At least two years below performance on achievement tests;
- At least one year below grade level;
- Are pregnant or a parent;
- Are chemically dependent;
- Have been physically or sexually abused;
- Have mental illness;
- Have been homeless in the past six months;
- Have been expelled from school;
- Have been referred by the school district.

Compared to special-education legislation, public policies for at-risk students are less formalized and regulated. Local education administrators generally have broad authority over how and if students exhibiting at-risk behaviors are served outside the regular classroom. Some school districts have created elaborate programs in-house to serve at-risk youth; others do nothing beyond providing at-risk youth with the same education as other students. Many school districts contract with a nonpublic school or program to provide education and other services. Parents and guardians of at-risk youth who find the public-school programs

inadequate or inappropriate for their children often bypass the system altogether, choosing to enroll them in a private, tuition-based school or program.

Services for at-risk youth can include tutoring, full-time instruction, vocational education, drug treatment, counseling, child care, and residential care. Alternative education may range from independent study allowing the student to hold a full-time job while working toward a GED, to highly structured, secure, residential programs incorporating behavior modification and therapy.

Sector Snapshot

The market for private at-risk education is highly fragmented and often overlaps with special education and corrections education. At-risk is a broadly defined category which can include dropouts, homeless youth, teen parents, abused or neglected children, students with substance abuse problems, emotionally troubled youth, or it can denote an otherwise average student who has simply fallen behind in his or her studies. Private providers include nonprofit and for-profit organizations; many providers are small businesses providing remedial education.

Major Providers
Boys Town USA, Boys Town, Nebraska
Children's Comprehensive Services, Inc.
Ombudsman Educational Services, Libertyville, IL
Richard M. Milburn High School, Woodbridge, VA

(Source: The Reason Foundation)

At least seven states have formal, legislated programs enabling public schools to contract with nonpublic schools, also known as alternative schools, to serve at-risk students. Lack of enabling legislation does not prevent school districts from contracting with nonpublic alternative schools, however.

2. Nonpublic Schools

At least seven states—Wisconsin, Minnesota, Oregon, Arizona, Texas, New Mexico, and Florida—have formal, legislated programs enabling public schools to contract with nonpublic schools, also known as alternative schools, to serve at-risk students. (See Appendix II.) Lack of enabling legislation does not prevent school districts from contracting with nonpublic alternative schools, however. Districts in at least seventeen states contract with private providers to serve at-risk youth.[42]

Says Milwaukee Public Schools (MPS) Alternative Program Director Fermin Burgos about the contract arrangement, "It enables MPS to provide a whole range of different options. We want tailor-made programs for pregnant teens, chronic disrupters, or students coming from juvenile institutions. With contracting, we can offer those programs. In some cases they are more effective than the traditional schools."[43]

If a child is identified as being at-risk and does not qualify for special education and is not an adjudicated youth, nonpublic-school day programs are available often at a cost equal to or lower than what the referring school district spends for regular education. For example, in Minnesota only the per-pupil amount of state aide used to fund regular education may follow

the at-risk student to the program site. The district retains the local revenue share plus 22 percent of the state aid to cover district-administration costs. In 1994-95, average per-pupil funding from state, local, and federal sources totaled $6,391 for Minnesota students.[44] (This figure is an average for all students in the state including primary and secondary students, regular and special-education students.) By contrast, nonpublic alternative schools received between $3,150 and $3,600 per at-risk pupil depending on the student's age.[45]

In most cases, referrals to contract programs are made by a parent, school counselor, or teacher to the school board or superintendent of the student's home district. Placement in a nonpublic school is usually made with the student's and parents' consent. Parents, however, do not have the unilateral authority to place their student in a nonpublic school without school-district approval if they expect the placement to be publicly funded.

Some alternative schools for at-risk students operate as private charities or on a parent-pay basis and receive little or no public funding. Boys Town receives approximately 60 percent of its revenues from private sources, despite the fact that most of its referrals come from public agencies.

For more severely troubled youth (including those with emotional disabilities or a history of juvenile delinquency), referrals may come from various agencies including the school system, the juvenile justice system, child welfare authorities, private physicians and medical groups, and state institutions.

3. Private-Tuition Schools

Some alternative schools for at-risk students operate as private charities or on a parent-pay basis and receive little or no public funding. One example is Father Flanagan's Boys Home in Boys Town, Nebraska—serving neglected and delinquent youth. Boys Town receives approximately 60 percent of its revenues from private sources, despite the fact that most of its referrals come from public agencies. (See case study 5.)

Parents of troubled youth sometimes seek independent placements. Wilderness camps, ranches, college-prep schools, and alternative schools are often a parent's only recourse for those youth for whom other public or nonpublic school placements have failed. Lon Woodbury is an education placement consultant who helps parents locate a school or program that best meets the needs of their child. Says Woodbury, "Most of these programs were founded by someone who looked around trying to help these kids and there was nothing for them. . . . So they took a risk, put up their own money and went into the school business."[46]

States are involved in accrediting and making sure schools meet minimum health and safety standards. But most oversight comes from parents who select the school and are responsible for tuition and residential fees. Woodbury estimates the cost of a quality residential program for troubled youth averages $2,500 a month. Scholarships and private insurance may pay some of that amount.

Unlike special education, where parents have successfully litigated to have the government pay the full cost of a private placement made by the parent, at-risk students are not guaranteed by federal law a "free and appropriate" education. Generally, parents cannot place their at-risk child in a private school and then expect reimbursement from the public schools. While tuition costs can pose a barrier to low-income families, Woodbury notes that the absence of government funding has some advantages. Says Woodbury, "He who pays the piper calls the tune. If the parent pays, they can demand and get action."[47]

CASE STUDY 3: Ombudsman Educational Services, Libertyville, Illinois

Serving over 2,000 students from 102 districts in eight states during 1995-96, Ombudsman Educational Services is among the largest private providers of alternative education under contract with the public schools.[48] Established in 1975 to provide alternative education to students who have either dropped out of school or are at risk of dropping out or being expelled, Ombudsman averages an 85 percent student retention rate. Per-pupil cost of the program: $20-$25 per day—about half the cost of educating a student in a regular public school.

Ombudsman seeks to increase student achievement enough to enable the student to return to his or her home school prepared to graduate. Students may also graduate directly from Ombudsman with a diploma or GED (General Equivalency Diploma).

Teachers in Ombudsman schools are state certified and most Ombudsman programs are accredited by the North Central Association. Ombudsman's approach involves self-paced instruction with low pupil-teacher ratios (less than ten-to-one). Students attend Ombudsman schools for three hours a day, five days a week, working at their own pace with computer-based instruction on basic skills. Says Boyle, "You can never fool kids. Unless they see something worthwhile, they'll stop coming."[49]

Said one 12th-grade student about Ombudsman's concentrated approach, "I learned more in these four hours than I learned in a week at my old school. You learn about three or four subjects a day and spend about 45 minutes on each subject, so it's like a classroom. . . . Four hours is long. By the end of the day, you're tired."[50]

Said another student, "They do tests so you start with what you don't know and you don't redo the things you already know. You don't get bored. You go at your own pace."[51]

Don Gossett, superintendent of the 2,400-student Libertyville High School in Libertyville, Illinois, contracts with Ombudsman for twelve students. "We're pleased with what they provide. It's truly an alternative program. It's very individualized and designed around technology. We use it as a last chance type of thing for students who are highly at-risk."[52] At a cost of $3,000 per student, Gossett says the program is cost effective. "We could not provide a program on campus for what they do it for."

Said one student about Ombudsman's concentrated approach, "I learned more in these four hours than I learned in a week at my old school."

CASE STUDY 4: Sobriety High, Edina, Minnesota

Founded in 1989 as a tuition-based alternative school, Sobriety High educates 9th through 12th-grade students in recovery from chemical dependency. In 1990, the nonprofit school was approved under Minnesota's High School Graduation Incentives program and began accepting public-school students under contract.

In 1994-95, Sobriety High enrolled 42 students from surrounding districts and had a two-year waiting list. Sobriety High operates with significantly less public funding than regular public high schools. For each student it enrolls, Sobriety High receives 88 percent of the state basic-revenue amount (and no local tax revenues), or about $3,200 per pupil per year. The school raises additional funds from private donations.

Sobriety High is staffed by young teachers who also serve as mentors, counselors, and friends to their students. Says Hansen, "Teachers here are hired for as much as who they are as what their academic background is."[53] Teachers at Sobriety High must have a college degree in their area of instruction, but are not required to be state certified.

"To be admitted at Sobriety High, students and their parents must sign a sobriety commitment pledging themselves to keep kids in a sober environment and graduate with a diploma,"[54] says Hansen. Students are automatically expelled if they relapse three times.

To keep costs down, Sobriety High is located in a sparsely furnished suite of classrooms in a suburban business park. Coursework focuses on core academic areas meeting all regular state academic requirements. There is no gym, no chemistry lab, and no support staff. Says Hansen, "We don't have a janitor; the kids clean the school and make the rules."

Involving students in the operation of the school is part of Sobriety High's approach. At group meetings, students address issues ranging from school cleanup to student conduct. The group process also fosters tremendous peer pressure against using drugs and alcohol, which is one reason for Sobriety High's success. Says Hansen, "The success of the school depends on the trust and respect of the group. The kids make it."

Another key to the school's success is its controlled, sober environment. Being in a separate school, away from their former peers who continue to use drugs and alcohol, removes many of the temptations these students encountered in their regular schools.

The school has a graduation rate of 95 percent, according to Hansen. Among substance abusers attending the region's regular high schools, fifty percent graduate.[55] (Due to measurement differences, these two graduation rates are not comparable.)

To keep costs down, Sobriety High is located in a sparsely furnished suite of classrooms in a suburban business park. There is no gym, no chemistry lab, and no support staff. "We don't have a janitor; the kids clean the school and make the rules."

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CASE STUDY 5: Father Flanagan's Boys Home, Boys Town, Nebraska

Originally established in 1917 by Father Edward J. Flanagan as a home for orphaned and abandoned boys, Boys Town today directly cares for more than 27,000 boys and girls annually in fourteen states and the District of Columbia.[56] Boys Town programs include education, residential homes, emergency shelters, foster-care, family counseling, and a medical research hospital. At the 900-acre home campus in Boys Town, Nebraska, 550 girls and boys in grades 3-12 live and attend school.

The typical Boys Town youth has been placed in two to three foster homes or group homes before coming to Boys Town, has a history of juvenile delinquency, and tests two to three years below grade level in school.[57] Most have been neglected and abused by their families. Eighty percent of Boys Town children come from single-parent homes. Over half of all girls and 30 percent of the boys have been sexually abused. One in five have considered suicide; 63 percent have mental health problems severe enough to be diagnosable.[58]

Despite the considerable challenges these youth present, Boys Town has been successful in turning their young lives around. An eight-year study by Boys Town researchers found that 83 percent of all Boys Town residents graduate from high school or earn a GED. That compares to a 69 percent graduation rate for youth referred to Boys Town but served by other non-Boys Town programs, and a 55 percent graduation rate for children placed in foster care nationally.[59]

Boys Town continues to monitor the progress of its alumni after graduation. Twenty-five percent enroll in higher education; another twenty-five percent enroll in employment training programs. In total, over 92 percent of Boys Town graduates are enrolled in school or employed two to three years later.[60]

In keeping with its famous motto: "He ain't heavy, Father . . . he's my brother," Boys Town stresses cooperation, a family-oriented philosophy, and responsibility for self and others. Children live on the Boys Town campus in family-style cottages, each headed by a Boys Town trained married couple who serve as surrogate parents, role models, teachers, and counselors.

Boys Town runs an elementary and a secondary school on campus attended by all residents. Both schools are accredited and provide comprehensive academic and vocational classes. The high school is organized around a seven-period day without study halls. Academics, social skills, and employability skills are emphasized, with students offered vocational training in over a dozen career areas. Boys Town also has its own sports teams, band, choir, student newspaper, and student government.

Although Boys Town is a secular, nonprofit organization, spirituality is an important component of Boys Town life. Depending on the religious preference of the child (or his biological family), he or she must attend church or synagogue once a week. Father Flanagan once said, "Every boy must learn to pray. How he prays is up to him." Religious instruction is also part of the school curriculum. **Case study continued on next page.**

Researchers found that 83 percent of all Boys Town residents graduate from high school or earn a GED. That compares to a 55 percent graduation rate for children placed in foster care nationally.

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Case study 5, continued.

The residential and educational cost per child at Boys Town is $49,000 per year. Of that, two-thirds is privately supported through donations and a trust fund established by Father Flanagan in 1941; the remainder is funded by social service, juvenile justice, and education agencies.

Noting the inconsistency of public funding among different states and different programs, Dr. Daniel L. Daly, director of planning and research at Boys Town, says the private-sector's role is essential to making sure children receive the services they need. "Happily, we are an organization that's able to subsidize care for kids so the [placement] label [which partially determines public funding] doesn't make a difference to us. . . . I don't think public funding comes near enough to covering what these kids need."

Daly believes both the public and private sector, working separately or in partnership, are needed to serve neglected and abused children. When evaluating a program, he advises policy makers to "stick with outcomes—kid outcomes, not system outcomes." Graduation rates, employment rates, and success in school will show whether or not a particular program is helping students, he says. "Programs should be results, not process, oriented."

Daly says that by asking, "'What actually benefits kids?' it becomes a little clearer what has to be done."

The Stories Behind the Statistics at Boys Town

John, age 14, had 15 prior placements before coming to Boys Town all in three years. He ran away three times this week. That is how he got 15 placements before he arrived here.

Here is George, age 11, with cigarette burns on his arms when he came to Boys Town. Here's Tom, age 13. He was chained to a bed by his foster father for the last six years when he wasn't in school and was beaten on a regular basis.

Here's Mary, aged 16, sexually abused by her father and grandfather since the age of eight. She is extremely promiscuous. She feels rotten about herself. She does not know how to seek affection except in a way that will punish her and make her feel cheap and lousy about herself.

Here is Lora. She was raped by her mother's boyfriend at age six. She was sexually abused until she was 11 when she became a prostitute. At age 12 1/2 she was admitted to Boys Town.

Here is Sam. His mom and dad were pretty much like most moms and dads today. They worked hard and successfully raised Sam's three older brothers. Why Sam was so truant and mixed up in drugs and shoplifting is a mystery to them.

These are kids with problems, lots of problems. They have been through a lot already in their young lives. They have been abandoned, abused, and neglected or simply alienated from others. They cannot make it at home, in school, or in the community. That is why they come to Boys Town.

(Reprinted from What Makes Boys Town So Special with permission from Boys Town)

CASE STUDY 6: Helicon, Inc. Shelter Education Program, Tennessee

Children in emergency shelters are missing more than a home and a family, they are also missing continuity in their education. The Helicon Shelter Education Program, a division of Children's Comprehensive Services, provides certified teachers, materials, curriculum, and academic-record keeping on site at 27 emergency foster-care shelters throughout the state of Tennessee.

The shelters, operated by local churches, private contract providers, and public agencies, give temporary residential care to children who have been referred to them by probation officers or social-service case workers. Helicon supplements the shelter care by providing a full-day education program on site to children age 6 to 18 who are in temporary state custody. About half the children are delinquents or runaways. The other half are neglected or abused children awaiting placement in foster care or return to their families. For children enrolled in the Helicon education program, the average length of stay in the shelter is approximately 30 days.[61]

Under contract with the Tennessee Department of Finance and Administration at a daily rate of $40 per pupil, Helicon, Inc. tailors educational services to each child, maintaining a student-to-teacher ratio of no more than eight-to-one. On any given day, Helicon teachers educate 350 students in Tennessee's emergency shelters.[62]

Providing education on a short-term, unpredictable basis presents unique challenges. "The biggest issue, and the reason we were given the opportunity to do this, is because previously the child had been shuffled around from district to district and their records didn't follow them and their credits weren't transferred. Children were dropping out because they weren't getting credit," says Mark Claypool, Helicon's director of day treatment programs.[63] Helicon is responsible for locating and obtaining school records for every child it serves.

"Because these children come from all over the state, it's been a huge problem to track down the records. Sometimes their records were being held up by something as simple as a library fine that wasn't paid and so the school secretary wouldn't release the records. We paid the library fines," explains Claypool.

Serving children of varying ages and abilities in a residential shelter raises a number of logistical issues. Some shelters are so small, the living room becomes the classroom for the day or classroom space is borrowed from a local church. Because the shelters never know what kind of child will turn up at their door, "we have to have an incredible continuum of curricula materials at each site, no matter how small," says Claypool.

He says that a greater number of delinquent youth are being referred to shelters in Tennessee than in the past. Helicon works with facility staff to help them accommodate these new demands. "We do a great deal of training in behavior modification. At this level of intervention, we're getting a more difficult [student] population."

"The biggest reason we were given the opportunity to do this, is because previously the child had been shuffled around from district to district and their records didn't follow them and their credits were not transferred. Children were dropping out because they weren't getting credit."

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The Cost of Dropping Out

Students at risk of dropping out are also at risk of a lifetime of marginal employment. The U. S. Department of Justice reports that in 1992, the unemployment rate for high school dropouts was 11 percent versus 7 percent for those who graduated high school, but did not attend college. Median incomes for high school dropouts employed full time were just half those of high school graduates.[64]

C. Education for Incarcerated Youth

1. Background

Public concern is growing as the rate of juvenile crime increases. In 1991, juveniles were responsible for one in five violent crimes and committed 14 percent of all robberies and 21 percent of all assaults.[65] The U. S. Justice Department reported in 1995 that it expects the juvenile arrest rate for violent crimes to double in 15 years. The current murder rate among teens has risen 165 percent in the past decade, according to the department.[66]

In 1990, over 680,800 juveniles under the age of 21 were admitted into traditional juvenile facilities such as detention centers, reception centers, training schools, and ranches. In 1991, there were 984 such facilities in the United States.[67] Seventeen percent of juveniles confined in these settings were held in privately operated facilities.[68] Eighty-eight percent of the incarcerated juvenile population is male.[69]

Because most juveniles are confined for relatively short periods, the population of incarcerated youth[72] in institutional facilities on any given day is roughly 63,000 juveniles.[70] An additional 29,214 juveniles in custody are housed in 2,224 shelters, halfway houses, and group homes. These alternative facilities are physically unrestricted environments allowing nonviolent juveniles extensive access to the local community. Eighty-four percent of shelters, halfway houses, and group homes are privately operated.[71] (See Table 4).

State compulsory education laws requiring children to attend school until a specified age also apply to adjudicated and incarcerated youth.[72] Private facilities, either nonprofit or for-profit, are subject to governmental licensing and regulations, but are otherwise privately owned and operated. The educational program in private facilities is usually provided by the facility operator, according to industry officials. In unrestricted environments, such as shelters, halfway houses, and group homes, students in some cases attend public schools.

Industry Snapshot

The corrections education market serving incarcerated, probationary, and at-risk youth is highly fragmented with less than a dozen large national providers and a large number of local nonprofit providers.

Estimated Number of Private Providers: 2,000
Estimated Number of Students Served in Private Facilities: 35,000

Major Providers

- Youth Services International, Owings Mills, MD
- Children's Comprehensive Services, Murfreesboro, TN
- Eckard Foundation, Sarasota, FL
- Associated Marine Institute, Tampa, FL
- Rebound, Denver, CO
- Abraxas Foundation, Inc., Pittsburgh, PA
- Outward Bound, Rockland, ME

(*Source: Equitable Securities Corp.*[73])

In general, almost all juveniles are held in facilities providing basic educational services. The quality, however, varies greatly, with some facilities using classrooms only to warehouse students and others providing comprehensive individualized assessment and instruction.[74] A U. S. Department of Justice survey found that most facility administrators believed improvements were needed in their educational programs.[75] Little, if any, comprehensive research exists describing the outcomes and results of educational programs within juvenile facilities. A 1994 U. S. Department of Justice report recommends that "such a study be undertaken in order to better evaluate the capacity of educational programs in juvenile confinement facilities to serve [educational] needs. . . ."[76]

Table 4: Number of Confined Juveniles by Type of Facility, 1991[77]

	Detention Centers	Reception Centers	Training Schools	Ranches	Shelters, Halfway Houses, Group Homes	Total
Public	19,296	2,272	26,418	3,623	*5,970*	57,579
Private	590	340	6,275	3,551	*23,244*	34,000[78]
Total	19,886	2,612	32,693	7,174	29,214[79]	91,579

Note: Figures in italics are derived estimates. Juveniles in unrestricted shelters, halfway houses, and group homes may attend public schools; more detailed information about education providers for this population is not available.

(Source: *Conditions of Confinement*, and *Juvenile Offenders and Victims*, U. S. Department of Justice)

Education programs for incarcerated youth are a low priority for states faced with budget problems.

The same U. S. Justice Department report stated, "Although there is extensive anecdotal and experiential evidence on the educational deficiencies . . . of juvenile offenders, we have no systematic empirical data on confined youths' educational or treatment needs and problems. Thus, we cannot determine whether facilities provide appropriate programs or whether juveniles make progress during confinement."[80]

According to Peter Leone, a juvenile corrections researcher at the University of Maryland, education programs for incarcerated youth are a low priority for states faced with budget problems. Says Leone, "the programs are highly variable with regard to both the skills young people learn and the resources to do the job. . . . In places, such as parts of the midwest, where there is a strong tradition of education, they have a pretty good program in correctional education." But, he says, "many abysmal programs continue to operate because there's no systematic oversight."[81] Few states systematically collect longitudinal data on recidivism rates for juvenile offenders. Without such information, sentencing officials cannot determine which placements would be most effective at rehabilitating a particular juvenile. Furthermore, the absence of data about juvenile outcomes means providers (both public and private) face less competitive pressure to produce the desired results since they continue to receive referrals regardless of their performance.

Adjudicated and incarcerated youth present special problems for educators. They often have a prior history of truancy and test significantly below grade level. Many have been diagnosed with learning, behavioral, or other disabilities. Some 10,400 students in correctional facilities

receive special-education services under federal law.[82] Incarcerated youth may lack skills in moral reasoning. Many have been incarcerated because of their violent behavior; for educators, this means taking extra precautions. One federal study noted, for example, that educators often did not permit their students to take pencils outside the classroom, fearing they would be used as weapons. A missing pencil in one facility's classroom resulted in a strip search of the students.[83]

2. Funding

Funding for adjudicated youth typically comes from the state's department of juvenile justice, but is often augmented by revenues from federal and state programs such as special education, Title 1 (compensatory education) funds, and Medicaid.

After sentencing, placement decisions for adjudicated youth may be made by the state or local juvenile justice agency. If the sentencing judge recommends a particular program, the agency will generally try to be accommodating. For private placements, the agency negotiates rates with the provider or pays an amount based on government cost formulas. In 1994, the average daily cost of incarcerating a juvenile was $107.23, according to the Criminal Justice Institute.[84]

III. ALTERNATIVE ARRANGEMENTS

A. Charter Schools

An emerging alternative arrangement for difficult-to-educate students is the charter school. Charter schools are autonomous publicly funded schools freed from most state and local regulations. A 1995 survey by the Education Commission of the States indicated that one-half of the charter schools in the seven states surveyed were designed to serve at-risk students.[85] Charter schools serving at-risk students include Options for Youth Charter School in California, the Arizona Career Academy, and the Boston University Charter School for homeless students.

Some charter schools specialize in serving students with disabilities. The Metro Deaf Charter School in Minnesota, for example, serves students with hearing impairments. Borrowing on a concept from special education, many charter schools create Individualized Education Plans (IEPs) for all their students, enabling them to customize education without labeling children. Charter law in several states allows private organizations to create and operate charter schools with public funding. As of Spring 1996, twenty-one states had passed charter-school laws.

B. Full Inclusion

A discussion of full inclusion—the integration of students with disabilities into regular classrooms on a full-time basis—is beyond the scope of this policy paper. In the course of

this research, the author came across a number of private special-education schools that had implemented full-inclusion policies by pairing their special-education schools with their private, regular education schools. These include the Oak Crest County Day School in New Jersey, and St. Lucy Day School for Children with Visual Impairments. In addition, many regular private schools fully include students with moderate disabilities. More research is needed about the impact of full inclusion on student performance, and the extent to which regular private schools accommodate students with disabilities.

C. Cooperative Arrangements

Cooperative arrangements among public and private agencies also exist to serve difficult-to-educate students. The Multi-Agency Program (MAP) for at-risk students in Spokane, Washington, receives direct classroom services from three agencies, including the Spokane Public Schools, the department of probations, and the private Spokane Mental Health Center. In New York, Hillside Children's Center, a private residential facility specializing in educating and caring for emotionally disturbed children, operates a program in which it provides clinical services to a nearby public special-education school. Often, children receiving residential care in privately operated facilities, such as emergency shelters, group homes, or treatment facilities, will attend public school during the day.

CASE STUDY 7: The Advocate School at the Mid-Valley Youth Center, Van Nuys, California

Media reports of gang violence make headlines in the papers. But after the arrests are made, what happens to adolescent gang members? Some end up at the Mid-Valley Youth Center in Los Angeles County, a residential and educational program enrolling 84 residents aged 11-18.[86]

Opened in 1988 under contract with the Los Angeles County Departments of Probation and Children's Services, Mid-Valley has developed expertise in rehabilitating troubled youth. The Advocate School on Mid-Valley's grounds provides full-time individualized instruction with student-to-staff ratios of three-to-one, including counselors.

Advocate School staff are doubly challenged. Not only do their students bring with them a history of delinquency, the students have also been diagnosed as being severely emotionally disturbed. All students at the Advocate School are eligible for special education under the Individuals with Disabilities Education Act (IDEA). The rate per-pupil for the Advocate School's day program is approximately $90 per day.

The typical student coming to the Advocate Schools is two to three grade levels behind in academics and remains at the school for 9 to 18 months. Students attend both the school and the residential-treatment program. Over half the students have been referred to the Advocate School and the Mid-Valley Youth Center by the state Department of Probations. Says school director Kathryn Delzell, "almost all students at the Advocate School had previously been gang members or functioned at the periphery of gang culture."[87]

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CASE STUDY 8: Youth Services International, Maryland

Public concern over rising crime among juveniles has led to renewed efforts to find effective treatment and incarceration facilities for youthful offenders. Many states are turning to private providers such as Youth Services International, Inc.

Founded by Jiffy-Lube entrepreneur W. James Hindman, himself a former delinquent youth, YSI serves 4,000 at-risk or adjudicated juveniles. Adjudicated youth juveniles who have been committed to YSI by the court system compose 65 percent of YSI's residents. Says Hindman, "about 95 percent of all YSI students have committed crimes in the past."[88]

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YSI's stated goal is to "change dramatically the thinking and behavior of troubled youth, preparing them to become self-sufficient taxpayers."[89] This involves teaching students not just educational and vocational skills, but also behavior-management skills. For example, YSI has created programs such as Victim Awareness, Anger Management, and Alternative Solutions.

YSI's Charles J. Hickey School in Baltimore, MD runs an enhanced security program for juveniles who have committed crimes ranging from theft to murder. Says YSI public-relations manager Camille Baumgardner, "The Hickey School serves the hard core juvenile delinquent. It's the highest security program in Maryland. This is their last chance."[90] YSI's Reflections Treatment Agency in Knoxville, TN is a facility designed strictly for criminal sex offenders.

Both programs report relatively low recidivism (repeat offense) rates within one year of release. At the Hickey School, 13 percent of the youth were readjudicated; the recidivism rate at Reflections was 11 percent.[91] Comparable one-year recidivism rates are not available, but the U. S. Department of Justice reports that nationally 44 percent of juveniles who commit an aggravated assault (and 45 percent who commit simple assault) are re-arrested and return to juvenile court.[92] More useful longitudinal measures of recidivism and other outcomes for juvenile offenders are necessary to assess and compare the value of various juvenile-justice placements.

Despite its tough clientele, YSI says the cornerstone of its programs is education. Says YSI president Henry D. Felton, "YSI is not about incarceration, warehousing, retribution, revenge or punishment. We do not have inmates, we have students."

To serve its students, YSI offers a continuum of placements with different levels of security, ranging from group homes to boot camps. All its education programs are state accredited, offer a high-school diploma or GED, and allow students to earn credits which are transferable to regular public-school systems.

"The youth knows he's not just doing time, but making the best of his time," says Hindman. "Because of their age, most of these youngsters end up going back to the school system [upon release]." YSI also provides services for nonadjudicated students who are deemed at-risk.

Case study continued on next page.

Case study 8, continued.

YSI recognizes the importance of measuring results. Says Hindman, "We need to produce proof that our practices and policies work. . . . I believe we are doing a very good job. I want to be able to prove it." To do so, YSI commissioned Advanced Technologies Support Group, Inc., an independent evaluation firm, to survey all residential students discharged between January and September 1995 from the 13 facilities YSI operated at the time. The survey sought to determine whether or not YSI intervention had a positive impact on the students' rates of recidivism, school attendance, and school performance. Of a total discharged population of 1,408 students, the survey firm was able to contact 863 (or 63 percent). One year from being released or leaving YSI:[94]

- Sixty percent were attending school;
- Seventy-seven percent of those students attending school were passing with a 2.0 GPA or better;
- Eighty-seven percent had stayed out of the courts.
- Eighty-six percent of the students felt the YSI program had been beneficial.

The average per-pupil cost per day of YSI programs is $114, but can range from $75 to $220 per day. Says Hindman, "We can save 20 percent of the cost per pupil [compared to similar public residential programs for adjudicated youth] as well as provide a higher quality of education."[95] The for-profit company operates nineteen facilities in twelve states and receives juveniles from 36 states.

"We can save 20 percent of the cost per pupil as well as provide a higher quality of education."

CASE STUDY 9: Options for Youth Charter School, Victorville, California

Offering students an independent study program, Options for Youth Charter School (OFY) serves 480 students age 12 through adult. Students come from nine different school districts in southern California and are served in five OFY centers spread throughout the region.

In 1993, the nonprofit OFY was chartered by the Victor Valley Union High School District under California's charter-school law, which allows charter schools to be operated by private companies. Students attend OFY free of charge. Because OFY operates as a charter school, students may voluntarily enroll in the charter school without being referred by their home district.

OFY specializes in dropout recovery. Students, 80 percent of whom have been expelled from or dropped out of their previous school, work at their own pace toward graduation, a GED, or reenrollment in their regular school.[96] The student population includes expulsions, dropouts, and students in need of an alternative education environment. Teen mothers make up between 20 and 40 percent of OFY female enrollment at any given time.[97]

The OFY Charter School receives $17.60 per student per day in funding from the student's home district. Unlike conventional schools, which receive funding for enrolled students, OFY collects payment from the district only after students have completed their assignments.[98] Ten percent of all student funding is retained by the Victor Valley school district for administrative costs.

Upon entry, students are assessed and given a personalized education program. Students complete their assignments at home or in the OFY centers and typically meet with their teacher twice a week for one hour. Students must score at least 70 percent on tests of completed work before continuing with the next assignment.

California charter law requires that the charter school demonstrate student success. Outside evaluations of OFY by assistant dean of UCLA Graduate School of Education James Catterall, Ph.D., reports that in 1995, "*of those students leaving* the Options for Youth Program, 44 percent returned to their regular schools or graduated." Writes Catterall, "Since the nature of the OFY Charter School mission is to 'recover dropouts,' the more than 200 students returning to school and the 27 graduating during this year should be counted as direct successes."[99] (Note: these figures do not include the students who continue attending OFY.) John Hall, OFY president, estimates that OFY has a student retention rate of over 75 percent.[100]

PART II

by Janet R. Beales

I. PROGRAM ANALYSIS

For purposes of analysis, education for difficult-to-educate youth can be categorized into three overlapping programs: special education, at-risk education, and corrections education. Up to five sectors may be involved in the provision of these programs: public schools, charter schools, nonpublic schools, private schools, and homeschools.

Although each of these programs and sectors has many unique qualities, they can be differentiated by four defining characteristics. The first characteristic is the degree to which parents versus public officials control the placement decision. Who is the gatekeeper on whether or not a child is served by a particular program and in a particular placement? The funding source, public or private, is the second characteristic. The third characteristic pertains to the legislative environment and the extent to which the program operates with mandated funding and special legislative protections. The fourth characteristic is concerned with ownership; is the school or program a government entity or is it privately owned? (See Appendix III.)

How is this collection of programs, sectors, and characteristics to be evaluated? As a preliminary effort, we will evaluate them against a model delivery system. As we define it, a good model for serving difficult-to-educate students has the following three attributes:

- **Performance measures**. The education program is results oriented. It incorporates meaningful measures of student achievement and/or development which can be used to assess the program's direct benefits to the student.
- **Financial accountability**. The program incorporates incentives to control costs and maximize the value to the student of available resources. It links funding to student outcomes, directly or indirectly.
- **Student access**. The program is available to students needing services. It is financially accessible and programmatically accessible.

A. Performance Measures

Information about academic outcomes and other measures of student success is highly variable for students with disabilities, adjudicated youth, and at-risk students. Large numbers of these students are often excluded from standardized tests. Most educational programs for difficult-to-educate students are individualized and downplay objective standards of academic achievement. Available information about student achievement is rarely gathered in such a way that it is useful for comparing the effectiveness of different programs in serving a particular type of student. When student performance is reported, it is often

Information about academic outcomes and other measures of student success is highly variable for students with disabilities, adjudicated youth, and at-risk students. Student achievement information is rarely gathered in such a way that it is useful for comparing the effectiveness of different programs.

measured and reported by the agency or school providing the education; third-party evaluations would be preferable.

Lacking reliable data about results, measures of program quality tend to center on inputs such as staff certification, student-teacher ratios, staff training, facility design, availability of different programs, and school accreditation. While these characteristics may *indicate* school quality, and hence, student achievement, such input measures ultimately cannot pass for concrete information about student outcomes.

Staff certification, student-teacher ratios, staff training, facility design, availability of different programs, and school accreditation may* indicate *school quality, and hence, student achievement, but such input measures ultimately cannot pass for concrete information about student outcomes.

Measuring student performance and comparing it across different placements is complicated by the fact that difficult-to-educate students have widely varying abilities and characteristics. How does one compare a school serving students who are chemically addicted, for example, with one that enrolls a mix of at-risk students, including those with drug and alcohol abuse problems? Are students with multiple physical and mental disabilities comparable to one another in terms of potential achievement or are their characteristics so unique that what is learned from past experience with one student cannot be applied to any other? In rare cases, the nature of a student's disabilities are so severe and unique, that perhaps only a handful of schools in the country can accommodate the student.

Schools or students cannot always be judged by the same performance measures. High-school graduation rates or percentage of graduates living independently would be inappropriate for a school serving students with severe mental retardation, for example. But they could be appropriate for at-risk students of average intelligence.

Some placements serve students for relatively short periods of time. Programs for adjudicated youth serve students only for the length of that student's sentence or probation. Emergency shelter programs are by their nature short-term placements. A psychiatric treatment and education program may be a crisis intervention in a string of placements for a student. Performance measures should apply to these settings, too, although the short-term nature of these placements obscures their contribution to the student's performance.

Schools that do report student results often use their own criteria for evaluating student success. Not only do the assessment criteria selected tend to be those that portray the school most favorably, the criteria may not be comparable across different settings. For example, one school for at-risk students may measure retention rates while another measures attendance rates and a third measures graduation rates. Finally, what makes for student success is never purely quantifiable. Statistical measures cannot capture the ability of students to form healthy relationships, to become integrated into a community, or to value their own self worth. All of these factors make the evaluation and comparison of student results extremely complicated. But they don't justify the absence of data about student outcomes.

Care must be taken to create realistic and meaningful measures of student achievement. In some cases, outcomes should be assessed not only while the student is enrolled in the program, but also after the student has exited in order to determine whether or not the program had lasting influence on student success. Longitudinal evaluations are particularly important in the area of corrections education to determine recidivism rates. Further research is needed to design a useful assessment system so that future students will have the benefit of proven interventions as the basis of any decision made about their placement. Additionally,

public and private providers (particularly those serving juvenile offenders) may improve their programs if they were made to compete with one another on the basis of performance.

To the extent that placements are publicly funded, the cost of various placements should be balanced against the results they are likely to bring to a particular student. Says Boys Town's research director Daniel Daly, "Most providers for special-needs students do not focus on outcomes. But public pressure is mounting for them to do so. People want to see results for the dollars they spend."[101]

Information about student results can also be used to gauge the performance of school personnel. Although public schools generally avoid linking teacher pay to student performance, a number of the private and nonpublic schools in this study based teacher compensation partly on the success of their students.[102] Among those schools incorporating student performance into the staff evaluation criteria, rewards took the form of salary bonuses, promotions, and "recertification" for continued employment.

Although public schools generally avoid linking teacher pay to student performance, a number of the private and nonpublic schools in this study based teacher compensation partly on the success of their students. Among those schools incorporating student performance into the staff evaluation criteria, rewards took the form of salary bonuses, promotions, and "recertification" for continued employment.

B. Financial Accountability

1. Public Providers

In general, public agencies have poor mechanisms for controlling and identifying costs, and sometime operate under perverse financial incentives to the detriment of students and taxpayers alike.

a. Total Costing

Public administrators often cannot identify how much money is spent providing education for special-needs students. Writes special-education finance scholar Thomas Parrish:

> *Of the 24 states responding to a recent survey administered by the national Center for Special Education Finance (CSEF), exactly one-half reported that they did not know the statewide cost of their special education programs. In addition, while national special education data were reported for the 1982-83 through 1987-88 school years, the federal government no longer requests these data from the states. While three different studies measuring the cost of special education to the nation have been conducted since the inception of the IDEA, the last of these was completed in 1988 and reported data from the 1985-86 school year. Thus, as there is no current information on the national expenditure for special education, the CSEF estimate of over $32 billion, presented at the beginning of this paper, is based on 10-year-old estimates. Given this, what can be said about changes in the cost of special education across the states?*[103]

The lack of information about costs at the state and federal level frustrates efforts to craft thoughtfully considered special-education policy. At the local level, public administrators lack the cost data they need to make informed decisions. Most public-agency accounting policies are not designed in a way that enables administrators to identify the total costs of a given program. Indirect costs such as overhead, employee benefits, pensions, facilities, administration, and transportation are frequently excluded from the calculation of program

costs. As a result, comparisons about the costs of various placements are often based on inaccurate financial data. For example, when a 1995 legislative task force in New Jersey compared the costs of a nonpublic placement with a public placement, it overlooked the public placement's pension and social-security costs.[104] The result? The nonpublic placement appeared to be the higher-cost setting. Had total costs been included, the nonpublic placement actually had lower costs.[105]

Says Thomas McCool, executive director of Devereux Santa Barbara, "It's very difficult to get comparative rates, except with the nonpublic schools. If you try to get the actual cost of providing a program in the public school, you can't get the numbers because they don't count the superintendent, they don't count the rent for the building. They count the teacher and the books. I think legislators are entitled to, if they can get it, what it actually does cost."[106]

"If you try to get the actual cost of providing a program in the public school, you can't get the numbers because they don't count the superintendent, they don't count the rent for the building. They count the teacher and the books."

Total costs are often overlooked when more than one public agency is involved in providing services. For example, the Spokane Public Schools in cooperation with Spokane Mental Health and the police department operate a program for juvenile delinquents called MAP (Multi-Agency Program). The school director, who helps make the placement decisions, describes the placement as a "deal," compared to the cost of the district's regular placement for this population, which he estimates at $12,000 per student. He says MAP costs only $7,000 per student.[107] His estimate, however, only includes the costs of those services provided directly by the school district and excludes the cost of services from the other two publicly funded agencies involved in MAP.

Though the program was promoted as being cost-efficient, school-district program administrators did not in fact know MAP's total costs. Officials from Spokane Mental Health, the private organization which administers MAP, would not provide any information about MAP's total costs after repeated inquiries.

This case study illustrates three points. First, public administrators often lack the information they need to make financially informed decisions. The Spokane school official was under the impression that the per-pupil cost of MAP was $7,000 when its true cost is actually greater.

Second, even if the school-district administrator had been aware of the program's total costs, he may still have made the same decision since he is concerned only with minimizing district costs, not total public costs. In this situation, the incentives of public officials should be aligned with the broader public interest, rather than the interest of a single public agency. Third, publicly supported agencies can and do withhold information that, by law, must be readily available to the public for purposes of oversight and accountability.

Making local agencies directly responsible for a larger portion of total costs, by consolidating funding streams, may lead to better cost control. It may also reduce adverse financial incentives to place students in settings which minimize local costs without regard to total costs. In California, for example, the local school district, which makes placement decisions, pays just 30 percent of nonpublic-school placement costs. The 70 percent balance is reimbursed by the state. The relatively small local payment share creates a financial incentive for the local district to place students in nonpublic schools where the state is responsible for the bulk of education costs, even when an appropriate, lower-cost, placement might be available.

The state of California is considering a revised special-education funding model, which would push funding responsibility (and accompanying state funds) down to the local level. Creating a single point of accountability in which the party making the placement decision is also responsible for paying the total costs involved may create better cost-control incentives. A potential impediment to the success of this approach, however, is the inability of public agencies to accurately assess their own in-house costs. Given the choice between a nonpublic-school placement in which total costs are easily identifiable, and a public placement, in which indirect costs such as employee benefits, insurance, and depreciation are often excluded, public administrators may choose the public placement in the mistaken belief that it is the lower-cost option. To make more accurate comparisons, and to better understand true costs, accounting procedures which encourage total costing for programs at the site level are needed.

Government funding formulas for difficult-to-educate students may inadvertently create incentives leading to wasteful spending, mislabeling of students, or the underserving of students.

b. Financial Incentives

Government funding formulas for difficult-to-educate students may inadvertently create incentives leading to wasteful spending, mislabeling of students, or the underserving of students. (See Appendix I for a discussion of funding formulas and the incentives they create.)

Students may be underserved when funding is provided regardless of whether or not the student is being served. For example, public schools in some states continue to receive funding throughout the year for students who may have already dropped out. John Hall, president of Options for Youth, a private alternative-education program, encountered this situation in Colorado. "If the district gets ADA [Average Daily Attendance money] for kids who drop out, why would they want to contract? The schools are getting $5,000 and the kid's not there. There's no incentive for recovering kids because the school already gets paid for them."[108] Hall recommends that funding be tied directly to student attendance. "Let the money follow the kid. Why should a taxpayer pay for a kid who has dropped out?"

Pupil-based funding in the public-school system is not without adverse incentives either, especially when additional funding can be obtained for special-needs students. Schools may have incentives to label borderline students in order to obtain additional funds; they may retain students in a particular program if it generates extra funding. Occasionally, district administrators have refused to refer students to more suitable placements outside the district if doing so causes the district to "lose" the funds associated with that student.

To better focus resources on the special-needs child for which they were intended, total per-pupil funding should follow the child to the placement—public or private, in-district or out-of-district—in which the student enrolls. To protect students from being poorly served or misclassified for financial gain, the public-sector's role as gatekeeper could be moderated by giving parents more direct control over placement decisions provided no increases in public-sector costs are involved. In other words, allow parents to choose how best to educate their child *given a fixed amount of public dollars.*

2. Charter schools

In states with well-crafted charter legislation, charter schools are autonomous public schools in which enrollment is voluntary. Because they are schools of choice, charters generally tend to be more competitive than their conventional public school counterparts. Although charter laws differ among states, most charter schools operate on the per-pupil funds passed through to them by the district. Given control over their own budgets, charter schools generally act under incentives to spend their dollars in ways that will attract students to their schools. Charter schools serving students with disabilities operate under the same special-education funding policies as public schools, so they generally have no particular financial advantage in educating students with disabilities, although their autonomy may enable them to better serve students given the same funding levels.

Nonpublic schools have strong incentives to identify total costs because the information is used to set appropriate tuition and reimbursement rates.

3. Nonpublic Schools

Nonpublic schools have strong incentives to identify total costs because the information is used to set appropriate tuition and reimbursement rates. They must also operate with the amount of public funds they receive, plus funds raised through charitable contributions, if any. Parents or private parties rarely, if ever, pay tuition at nonpublic schools.

Although they are privately owned and operated, nonpublic schools do not operate in a free market. Consumer choice is largely absent (with the possible exception of at-risk education in some localities). Competition is limited. And funding is at government expense. Additional regulations, financial reporting requirements, and licensing requirements all increase the cost of nonpublic school operations above the cost they would experience if they operated as purely private organizations. (See discussion of cost drivers on page 39.)

In general, nonpublic schools which operate in the absence of special legislative entitlement or judicial protections tend to be the most aggressive in controlling costs. Nonpublic schools and programs serving at-risk students are a good example of the unprotected sector. Since these nonpublic schools cannot depend on consent decrees, IDEA, or parent litigation to help ensure student enrollment, they must win business from the public agency based on their ability to offer quality services at a competitive price. (Note: As monopoly providers, public agencies do not necessarily have a strong incentive to seek out contract providers. Contractors do not have the opportunity to compete for services in many areas of public education.)

By contrast, some nonpublic schools may find they have a captive market in the public sector. Under IDEA, if the public schools can not serve a student with a disability, they must pay for the student's placement in a nonpublic school without regard to its cost. In some cases, parents have litigated for a nonpublic placement as being the only appropriate placement for their child.

State or local governments operating under judicial consent decrees may also be forced to place students in nonpublic schools regardless of cost. To remedy prison overcrowding, one court ordered the local juvenile-justice authority to turn its inmates loose or place them elsewhere. At the time, few private providers existed. Said one provider, "the court order

took away the government's power to negotiate and gave the provider the ability to say, 'That's our price.'"

Nonpublic schools, because they operate in the context of public education, also may not have as much flexibility in program design. Class size and student-teacher ratios for special education are often regulated in public and nonpublic schools alike. The Rochester School for the Deaf in New York, for example, must provide one teacher for every three students in each grade level. In practice, some classrooms end up with one teacher per student. At times, says Rochester School for the Deaf executive director Fred Koch, "We had adults tripping over each other."[109] Such government-mandated staffing regulations may unnecessarily drive up costs.

Rate setting, where a government agency determines a standard payment for a certain type of nonpublic service or school, can have the unintended consequence of raising costs when services could be provided at a cost below the rate set by government. Providers might charge lower rates if pricing were subject to competition. Evidence from Milwaukee indicates that competitive rates might be preferable in some cases to rate setting. Nonpublic schools serving at-risk students in Milwaukee are all paid the same amount per student, equal to $5,042 in 1993-94.[110] Some of the nonpublic schools in Milwaukee for at-risk students also accept regular students under the Milwaukee Parental Choice Program using government-funded vouchers worth $2,984 in 1993-94, less than half the amount of funding for at-risk students. (Note: The voucher amount is payment-in-full.)[111]

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Another area of potential wasteful spending may be found in district-administration. The public contracting agency may withhold a larger-than-necessary share of funding from the nonpublic school for administration. Minnesota and Wisconsin, for example, allow local school districts to retain both the local share of funding and between 10 and 25 percent of the state per-pupil basic revenue funds allocated to nonpublic at-risk schools. While public oversight is a necessary expense, excessive overhead costs at the district level reduce the amount of funds available in the classroom. For example, in 1994-95, Sobriety High School, a nonpublic school which contracts with Minnesota public schools for at-risk students, received roughly $3,600 per student.[112] By contrast, average per-pupil funding for Minnesota public schools was $6,400 in that same year.[113] Numerous charter schools report similar problems with excessive district-overhead fees.

4. Private-Tuition Schools

Private schools which enroll students at parent expense may have a greater incentive to deliver quality and control costs than publicly funded schools. Tuition-paying parents voluntarily select a school and will do so only if it delivers the services and quality they desire at a price they perceive as being fair. Private schools seeking to attract parents will balance program and cost considerations, controlling costs where possible. Because parents are spending their own money, tuition-based private schools may operate at lower total cost than either public or nonpublic schools for equivalent levels of service.

The influence that funding source (public or private) may have over costs can be seen in the following example from Pennsylvania. At the St. Lucy Day School in Upper Darby, Pennsylvania, thirty-two visually impaired children from five surrounding districts attend

school. A Catholic school established in 1955, St. Lucy Day School is privately funded and operated. Tuition is $900 for Catholic students and $1800 a year for non-Catholic students.[114]

The actual per-pupil cost of the program is approximately $10,000, according to the school's principal. Catholic Charities subsidizes 70 percent of the total cost with the remaining 30 percent provided through tuition, endowments, and private philanthropy including the Lions/Lioness Clubs, Knights of Columbus, United Way and private individuals. St. Lucy's does receive some workbooks and health-related therapy services from the public schools.

Two miles away from the St. Lucy Day School is the nonpublic Overbrook School for the Blind in Philadelphia enrolling 191 students.[115] The per-pupil cost of Overbrook's day program totals $34,800 for a ten-month school year.[116] Over 80 percent of the cost is publicly funded and parents pay no tuition.

When tuition is paid privately, private schools reduce the taxpayer cost of providing education to difficult-to-educate students who otherwise might have attended publicly funded schools.

Both the St. Lucy Day School and the Overbrook School are privately operated day programs. Both serve visually impaired students, although half the students at the Overbrook School have additional disabilities, which may contribute to higher per-student costs. Both schools provide low student-to-teacher ratios, individual instruction, and a ten-month, full-time school year. Both are in demand by parents. The Overbrook School serves students through the 12th grade, while the St. Lucy Day School enrolls pre-kindergarten through 8th-grade students.

Despite the similarities between the student populations, the two schools have significantly different cost structures; Overbrook spends three times as much as St. Lucy's. Many factors may contribute to this cost difference. One reason may be that the St. Lucy Day School depends on private funding, including parent-paid tuition, for its continued operation making higher per-pupil expenditures more difficult to support. When parents have a stake in the cost of educating their child, they may be more concerned about the placement's total costs. Research suggests that when local agencies which are making the placement decision for a particular student are also made to be responsible for a portion of the placement costs, they are more apt to seek to control total costs. (See Appendix I.) If true, public policies aimed at controlling costs could incorporate a local or private-pay component in the funding models for student placements.

Private schools (and nonpublic schools) enjoy a number of cost advantages over public schools. Their labor costs are often lower than public schools. Private schools for difficult-to-educate students must comply with all the laws applicable to regular private schools in the state in which they operate. Compared to nonpublic and public schools, however, private schools operate with fewer regulations and financial reporting requirements. Says private-school headmaster Dr. Roger Fazzone, "The absence of regulation was not a factor in why we chose to operate this way, but it sure does keep down costs."[117] To accept public funding, he says his school would have to hire an additional administrator to keep track of expenditures and paperwork in compliance with state regulations. Currently, Maplebrook is audited once per year by an outside firm.

When tuition is paid privately, private schools reduce the taxpayer cost of providing education to difficult-to-educate students who otherwise might have attended publicly funded schools. As a matter of public policy, private placements should be encouraged to the extent that they provide quality education for students at virtually no public cost. (Private schools

can access government funding for special-needs students, though the amount is generally a small portion of overall student costs.)

C. Student Access

Access refers to the degree to which a particular placement is financially and practically accessible to the student needing services. No placement type is completely accessible due to various factors including regulations, school capacity, cost, and admissions constraints. While public placements are free of charge, access is often limited by administrative or legislative consent. By law, parents of children with disabilities are included in all placement decisions regarding their child, but this does not guarantee that the choices of parents will be granted. Adverse financial and other incentives may interfere with sound placement decisions. When placement disputes arise, parents do not have the legal authority to veto the decision of public-school authorities. Instead, disputes are resolved through arbitration or litigation, which can be costly to families and schools alike.

Notes Nancy Lavelle, president of the Institute for the Redesign of Learning, student placements are often made arbitrarily and without regard to a student's unique needs.[118]

> *The lines between special education, alternative education and corrections education are increasingly becoming blurred. For years, I have felt that it sometimes is like tossing a coin in terms of where a student in trouble will wind up. Will he or she be incarcerated, go to continuation high school or alternative schools, placed in a special program for dropouts or chemically dependent youth, or receive special-education services? Will the student receive day school or residential services? It would be nice if the treatment was designed for the specific youth. However, often the determination of placement is made on the basis of funding available, geography, openings in programs, and the tenacity of the parent, caregiver, advocate, lawyer or school-district official.*

Access to public and nonpublic programs for students at-risk is particularly troublesome. Most public-school policies for at-risk students are remedial in nature. That is, the student must fall behind one to two academic years before he or she can be served. By then, the student may have dropped out, failed, or become too discouraged to advance academically. Students should not be forced to fail before they can receive alternative education.

Where appropriate, making parents and students, instead of public administrators, the gatekeepers for education programs may ensure greater access for students needing specialized services. Furthermore, it could lead to greater accountability for school performance as parents would have the authority to remove their child (and presumably the accompanying funds) if the parents believe the child has not benefited educationally.

If parents and students are the gatekeepers and have the authority to choose the education placement they believe is most suitable for their needs, the dilemma becomes one of funding. To what extent should parents have access to public funds to pay for the placements they choose? When public funds are involved, cost controls are desirable and necessary. Policies could be designed to enable parents and students to choose among financially neutral or lesser-cost placements. That is, if the cost of an alternative placement is equal to or less than

Where appropriate, making parents and students, instead of public administrators, the gatekeepers for education programs may ensure greater access for students needing specialized services.

the cost of the student's current placement, then the student should be allowed to transfer with public funds following. If the parent wishes the child to receive additional services, beyond what is publicly provided, the parent should be allowed to supplement the educational cost of his or her child with private funds.

For those students whose families or guardians are unwilling or unable to participate in their child's welfare, administrative involvement may continue to be necessary.

Enrollment in private schools is at private expense, creating financial barriers for some families. Most private schools, however, offer partial scholarships to low-income families. Private religious schools for special-needs students tend to make the greatest effort to accommodate students regardless of financial background.

1. Public Schools

Due to taxpayer support, with few exceptions, enrollment in a public school is free of charge to the student. But barriers to access remain in the form of district residency requirements, program eligibility requirements, and administrative approval. Parents generally cannot place their child into special education or at-risk programs without first seeking approval from public administrators. Students must first be identified as having one of twelve federally defined disabilities before they are eligible for special education.

2. Charter schools

Charter schools are publicly funded and tuition free so they involve no financial barriers for students. Enrollment in charter schools is by choice, so if the overall program fits a particular student's special needs, the student is free to enroll provided space is available and the student meets admissions criteria, if any. A large number of existing charter schools were created to serve at-risk students and do so without labeling students. Some charter schools may exclude students with disabilities if they lack the programs to serve them.

3. Nonpublic Schools

Like public schools and charter schools, enrollment in nonpublic schools is usually free of charge to the parent. Nonpublic schools, however, are generally viewed by public agencies as placements of last resort so access to them is limited by the public agency with which they contract. In some states, the use of nonpublic schools to serve at-risk students is limited to a specific percentage of the at-risk population regardless of demand. Parents can place their children directly into a nonpublic school assuming the child fits the school's admission criteria at private expense.

4. Private-Tuition Schools

Enrollment in private schools is at private expense, creating financial barriers for some families. Most private schools, however, offer partial scholarships to low-income families. Private religious schools for special-needs students tend to make the greatest effort to accommodate students regardless of financial background, and are often supported by religious organizations. Says St. Lucy Day School principal Sister M. Margaret Fleming, "Even though we have tuition, nobody is turned away if they can't afford to pay."[119]

Like nonpublic schools and some public-school programs, private schools also may have admissions criteria. Usually these criteria are aimed at matching the school's abilities to serve a difficult-to-educate child with the child's particular needs, rather than taking only the best students. Unlike public schools or nonpublic schools, where access to programs may be arbitrarily blocked by public administrators, parents have greater control over the decision to enroll their child in a private school or program. Private schools exist to serve students with disabilities, at-risk youth, and occasionally adjudicated youth when special circumstances are involved.

5. Homeschools

By their nature, homeschools are usually limited to the children of the homeschooling family, but homeschools are unlimited for families wanting to create them. Homeschooling is legal in every state. For practical purposes, homeschooling may not be an option for families unwilling or unable to devote the time of one or both parents to teaching. Homeschools generally are not a placement option for adjudicated youth.

Labor costs are typically higher in public schools than in nonpublic schools or private schools, even for similarly qualified teachers.

II. POLICY ISSUES

A. Cost Drivers

The cost of educating difficult-to-educate youth, particularly students with disabilities and adjudicated youth can be significantly higher than the cost of educating regular students for a host of reasons. The most obvious reason for the cost difference is that this group of students often has special needs requiring more intensive services, higher staff-to-student ratios, and specialized equipment. Students with hearing impairments, for example, may require special adaptive equipment or an interpreter. Adjudicated youth may need to be in a highly controlled, secure environment as a condition of their sentencing. These costs are often a necessary, and unavoidable, cost of educating special-needs students. But other factors including some that are avoidable also drive the high cost of education for this population. These include the following.

1. Labor Costs

Labor costs are typically higher in public schools than in nonpublic schools or private schools, even for similarly qualified teachers. For example, in 1993-94, the average salary for a teacher with a Master's degree and twenty-years experience was $25,189 in private schools compared to $37,213 in public-schools—a difference of 48 percent. Moreover, public-school teachers also receive more generous benefits than do private-school teachers.[120]

2. Inflexible Regulations

Education for difficult-to-educate students, particularly those with disabilities, tends to be more highly regulated than regular public education. There are several reasons. These

students are generally regarded as being more vulnerable and therefore deserving of greater protection. Some students may lack parents or guardians capable of advocating in the child's best interest. Parents who are involved in their child's education generally have limited authority to direct the placement and education of their child in the public system. In the absence of direct consumer control of education, the government relies on regulatory control.

Government regulations, however, do not guarantee a child will be well served. By their nature, government regulations fail to account for individual differences and may be unevenly enforced. They can also create unintended, adverse consequences resulting in harm to students and/or higher costs.

Government regulations do not guarantee a child will be well served. By their nature, government regulations fail to account for individual differences and may be unevenly enforced. They can also create unintended, adverse consequences resulting in harm to students and/or higher costs.

For example, Thomas McCool, executive director of Devereux Santa Barbara in California, says physical restraints, though benign, are considered by state authorities to be an infringement on a child's civil liberties. Says McCool:

> *We had a child here who would chew his fingers. Literally chew them down. And in other programs, what they would do is put on Styrofoam restraints so that person can't get their fingers into their mouth. That's not permitted in California. [The child] ended up going to a program in Arizona where that is permitted.*[121]

In another case, the school applied to the state for permission to use pneumatic splints on the arms of an autistic resident who hit himself on the side of the head, inflicting great bruises to his face. The state denied permission and the injuries continued until a medication was discovered which stopped the man's self-abusive behavior.[122]

According to Ellyn Lerner, president of Kids 1, Inc., "Regulations governing class size, related services, the IEP process, and facilities requirements all contribute to higher costs without necessarily improving education for students." She estimates that the High Roads Schools, where publicly funded tuition averages $18,900 per-pupil, could successfully educate the same child for $12,000 if it were freed from some regulations.[123] For example, Lerner points out that trained High Roads classroom teachers could deliver speech therapy with guidance from a speech consultant. The arrangement would save the cost of hiring full-time speech therapists and it would allow speech therapy to be delivered in a more integrated, less intrusive way. Kids 1, Inc. is piloting a program for at-risk students, who don't fall under the same federal mandates as special-education students, using this lower-cost approach.

Says Lerner, "Costs and funding are driven by the process [not results]. And the process says the child must receive a 'free appropriate public education.' So we deliver the services required to satisfy the professional's regulations, the advocate's core beliefs, or the parent's perceptions, rather than the services the child needs."

In another example of process overshadowing results, Ombudsman Educational Services, a private, for-profit provider of education for at-risk students, lost a contract in Minnesota after state officials decided to enforce legislation prohibiting contracts with private, for-profit education providers under the state's Education Options program. (Contracts with private, *nonprofit* providers are allowed.)[124] Ombudsman's contract was terminated mid-year despite the fact that Ombudsman charged significantly less per-pupil than what the district expended to serve the same type of student and despite Ombudsman's demonstrated success in

Minnesota, where it had contracted with the public schools for nine consecutive years. (Note: The prohibition against for-profit education providers under state statute 126.22 for the Education Options program is inconsistent with other contractual arrangements with for-profit instructional providers in Minnesota including Sylvan Learning Systems, a for-profit company providing remedial education to public-school students.)

Faced with a similar situation in California, a for-profit provider of licensed-children institutions created a nonprofit division to enter into contracts. Commented an organization representative, "Our nonprofit is extremely profitable." Nonprofit or for-profit status does not appear to influence the cost or quality of services. Legislative and regulatory prohibitions against for-profit providers needlessly limit the supply of viable programs for difficult-to-educate youth or create incentives for businesses to reorganize (which entails legal and other costs) to become eligible candidates for contracts. Furthermore, for-profit companies can bring additional benefits to schools and communities. Unlike public and nonprofit organizations, for-profit organizations can generate greater tax revenues, contribute more to economic growth, and can access investment capital more readily, which can be used to enhance school programs.

Richard Milburn High School, a private program for at-risk students, faced closure of one of its locations in New England over contract semantics. Despite the fact that 80 percent of the at-risk students at Richard Milburn High School stay in school or graduate, and one third attend college, (and per-pupil costs are lower than in public schools), the state was prepared to close it down over a technicality.[125] The state took issue with the contract wording that described the school district's payment to Richard Milburn High School as tuition. The private school quickly changed the term "tuition" to read "contract fee" and the word "school" to read "program" thereby solving the problem.[126]

The perception that educational quality is equated with high levels of services and spending may also drive up costs. In the absence of outcome measures, parents and child advocates may have an emotional incentive to seek high-cost solutions.

3. Public Perception

The perception that educational quality is equated with high levels of services and spending may also drive up costs. Says Lerner:[127]

> *It's like chicken soup—it can't hurt. The fact that it won't help doesn't matter. Everybody is afraid to say that this child doesn't need this service because the child needs so much. When it comes to providing extra services, there's the attitude that "more is better."*

Lerner says that by providing every service available, schools can never be accused of failing to serve the student. But that attitude, says Lerner, "means educators aren't looking at results and are unable to differentiate between services that provide some useful benefit to the student and those that don't." Lerner points to the increase in requirements for psychological counseling services in New Jersey as an example. "The notion that more and more psychological counseling produces results has never been tested. Counseling alone is not going to produce success for the child in the classroom." Yet, because the services are mandated, schools must provide them regardless of their applicability to the individual student. Furthermore, in the absence of outcome measures, parents and child advocates may have an emotional incentive to seek high-cost solutions, says Lerner.

There's the perception that quality is related to the price we charge. It's a real problem in special education because outcomes are so hard to measure. It's easier to measure inputs such as the number of services provided. And the more services you provide, the greater the perception of quality. When you're trying to cut costs, there's a perception that you're not delivering quality.

4. Legislation

Not only can legislation impose excessive regulations on education providers, it can also open the door to costly litigation when rights and responsibilities are poorly defined. For example, when it enacted the Education for Individual with Disabilities Act, Congress never sufficiently defined the term "appropriate" in "free appropriate public education." In practice, that ambiguity has opened the door to costly litigation over what public schools are obligated to provide to students with disabilities.

America's public-education system should invite the participation of both public and private schools in educating all children. School choice policies, which allow students and their families to voluntarily enroll in the public or private school of their choice, would expand the educational opportunities of all students.

Says Devereux's Thomas McCool:

We probably have at any given time, one or two children who are here privately. But then what the family does is once the child is here, they go back to the district and say this is the program I want. If you can duplicate that, and its got to have this kind of staff ratio, these kinds of activities, this kind of individualization, this kind of social-work support, this kind of clinical support . . . and they can't do it. So a lot of [parents] go through the back door to get public funding.[128]

B. Implications for School Choice

Contrary to popular perception, the public schools do not accept every child. Those students with behaviors too disruptive or disabilities too severe may be outplaced by the public schools to private-sector providers. Moreover, some families prefer that their special-needs child be served in a private or nonpublic school where their unique learning needs may be better addressed.

The fact that public schools do not, and cannot, accommodate every child is not a condemnation of public education. Public schools rightly recognize that they cannot provide quality education to every child. By enlisting the cooperation of private and nonpublic schools, the public-education system ensures that all children will be served, although the public schools themselves do not necessarily deliver the services.

Where the public-education system should be criticized is in its selective use of the private sector to serve only those children the public schools will not educate. America's public-education system should invite the participation of both public and private schools in educating all children. School choice policies, which allow students and their families to voluntarily enroll in the public or private school of their choice, would expand the educational opportunities of all students.

Critics of school choice argue that public schools would become the "dumping ground" for the most difficult students under a system of school choice. Only good parents would take

the opportunity to exercise choice, the argument runs, and private schools would shun difficult-to-educate students. Under a properly designed school-choice system, that scenario is unlikely.

Many private and nonpublic schools exist to serve students with all variety of disabilities, at-risk behaviors, or other difficulties. Students from all socio-economic and family backgrounds are served by these schools, ranging from those children from abusive families who may care little for their children to families who are highly involved in their children's upbringing and education.

Noteworthy is the wide variety of private-sector schools specializing in serving difficult-to-educate students. Private and nonpublic schools for at-risk students, for example, run the gamut from independent study to residential centers, embracing secular or nonsecular curricula, and emphasizing college preparatory to vocational education. Some schools catering to students with disabilities integrate them with their nondisabled peers, and more private schools will be likely to do so if the demand for such integration grows. This suggests that a large-scale school-choice program would result in a supply of schools as diverse as the students they are intended to serve. That private schools serve such a variety of special-needs students, and sometimes enroll the most difficult among them, lays bare the myth of the public-school dumping ground and the notion that school choice will leave only the worst students in the public schools.

That private schools serve such a variety of special-needs students, and sometimes enroll the most difficult among them, lays bare the myth of the public-school dumping ground and the notion that school choice will leave only the worst students in the public schools.

From the standpoint of policy design, school-choice comes in different forms, including tuition tax credits, privately funded tuition-vouchers, and government-financed tuition vouchers. Several implications for government-funded vouchers are raised by the findings in this policy study. Government-funded vouchers, though they would introduce market dynamics into public education, would not create a free market in education. Like nonpublic schools, voucher-redeeming private schools may be a hybrid of the public and private sector. Nonpublic schools tend to be more regulated than their purely private counterparts. Over time, voucher-redeeming private schools might develop similar characteristics.

In several important ways, however, a contract arrangement between a public agency and a private provider (the nonpublic-school model) is different from a voucher. Vouchers are given to parents and it is parents, not public agencies, who decide where they should be used. (In general, parents are passive choosers among nonpublic schools because placement agencies are usually made by a government agency or child-study team.) Competition may be more robust in a voucher system than among nonpublic schools because parents may be more vigilant about demanding quality services for their own child than a government agency would. If the voucher is designed so that parents pay a share of the tuition costs, voucher schools may also be more aggressive in controlling costs. (In the public sector, it is generally thought that local agencies will make a greater effort to minimize costs for, say special education, if they have a financial stake in the placement decision. Parents may behave similarly if they are required to pay even a small portion of private-school costs.)

The nonpublic-school arrangement may indicate some of the ways in which a voucher system might operate, but it also has shortcomings as a predictive model. Future research efforts may wish to explore how a school-choice system should be designed and financed to meet the needs of difficult-to-educate students, especially students with disabilities who may

require vouchers with higher dollar amounts compared to the voucher amount for regular students.

C. Private Schools, Special Education, and the Courts

Students with disabilities placed in private schools at parent expense can receive some publicly funded services under IDEA. The Code of Federal Regulations, for example, states that:[129]

> *If a child with a disability has FAPE available and the parents choose to place the child in a private school or facility, the public agency is not required to pay for the child's education at the private school or facility. However, the public agency shall make services available to the child. . . . Each LEA shall provide special education and related services designed to meet the needs of private-school children with disabilities residing in the jurisdiction of the agency.*

The total cost of special education could decrease as public-school students shift to the private sector, where they continue to receive publicly funded services directly related to their disability, but tuition is privately paid.

The Education Department General Administrative Regulations prescribe that a public agency "shall provide students enrolled in private schools with a genuine opportunity for equitable participation . . . and that such an opportunity must be comparable in quality, scope, and opportunity for participation to the program benefits that the (agency) provides for students enrolled in public schools."[130] In general, school districts have interpreted these regulations narrowly, providing minimal support to private-school students.

Three federal court decisions in 1995, however, greatly expanded public services to students with disabilities. In *K. R. v. Anderson Community Sch. Corp.*(Indiana), the district court ruled that the public schools must provide a full-time aide to a seven-year-old student with severe disabilities. Following that 1995 ruling, *Russman v. Board of Educ. of the Enlarged City Sch. Dist. of Watervliet* (New York) and *Cefalu v. East Baton Rouge Parish School Board* (Louisiana) resulted in similar decisions.

All three cases were appealed. The *K. R.* decision was overturned by the 7th Circuit Court of Appeals in April 1996. In July 1996, the *Russman* decision was affirmed by the 2nd Circuit Courts of Appeal. As of July 1996, a decision was pending on the *Cefalu* case.

These cases may be ultimately decided in the U. S. Supreme Court. If the Supreme Court rules in favor of the parents, there could be a significant national expansion of IDEA entitlements to private-school students (including parochial-school students) whose parents place them in private schools.

This could result in one of two outcomes. The total cost of special-education could increase once IDEA services are extended to students in private schools who previously did not receive public funding for such services. Conversely, the total cost of special education could decrease as public-school students shift to the private sector where they continue to receive publicly funded services directly related to their disability, but tuition is privately paid. Under this scenario, the cost of educating a student with a disability would be shared between parents or guardians and public agencies.

Beyond the issue of IDEA entitlements, the cases described above also invoke constitutional issues since they involve parochial schools. In 1993, the U. S. Supreme Court in *Zobrest v. Catalina Foothills School District* ruled that the First Amendment does not prohibit a school district from paying the cost of a sign-language interpreter for a deaf student in a parochial high school.

By contrast, the 4th Circuit in *Goodall v. Stafford County Sch. Bd.* ruled against a student's right to an interpreter. The 1995 decision found that the school board's refusal to provide an interpreter did not violate the student's free exercise of religion. The court also reaffirmed its previous ruling that IDEA did not guarantee services to individual students in private schools. According to legal observers, the contradictions involved in these rulings will likely be resolved at some point by the U. S. Supreme Court.

III. SYNTHESIS

Given limited resources, how are difficult-to-educate students best served? As this study shows, tradeoffs exist among different placements, sectors, and funding models. Since no single institutional arrangement can adequately address the needs of all students, individuals are best served by a variety of different options. In the future, we may better understand the tradeoffs involved among different options if we had useful, comprehensive data about student results and the total costs of various placements. Not only would students be better served, but taxpayers would know their money was being allocated for maximum value.

Lack of performance measures and financial accountability plagues both public and private schools for difficult-to-educate students, especially those receiving public funds. Granting families more authority over placement decisions may encourage schools to measure and demonstrate success, and could allow students to receive those services they require. At the same time, giving families more direct control over their child's education may reduce the necessity for government regulation.

Problems with overall cost control, however, remain, especially in special education where federal law drives expenditures. Where possible, funding mechanisms should be designed in such a way as to link student results with continued funding. Those making placement decisions should share in the responsibility of paying for their costs. Government regulations which unnecessarily drive up costs should be eliminated. Future studies might explore other cost-control strategies, including tuition vouchers, and the influence that private versus public funding exerts.

Families choosing to educate their special-needs children at home or at private expense save taxpayer dollars. Since the cost of a publicly provided education can be considerable, these families should be encouraged to continue supporting their children's education through more favorable public policies.

Families choosing to educate their special-needs children at home or at private expense save taxpayer dollars. Since the cost of a publicly provided education can be considerable, these families should be encouraged to continue supporting their children's education through more favorable public policies.

IV. CONCLUSION

Difficult-to-educate students present multiple challenges to educators and policy makers. Public schools serve the majority of these students, but they do not educate everyone. Working in partnership with public schools and agencies, the private sector enrolls those students who have not been well served elsewhere. The private sector also serves difficult-to-educate students in the absence of public support. Tuition-based programs and homeschools are viable providers for difficult-to-educate students.

The private sector has spawned a wide variety of schools and programs specializing in meeting the needs of individual students. As school-choice policies become widespread in the delivery of K-12 public education, the number of charter schools and private schools targeting special-needs students will likely grow with demand.

The private sector has spawned a wide variety of schools and programs specializing in meeting the needs of individual students. As school-choice policies become widespread in the delivery of K-12 public education, the number of charter schools and private schools targeting special-needs students will likely grow with demand. Better information about student achievement and other measures of school performance will help educators and families make more informed choices. Under a properly designed school-choice policy, schools catering to particular student needs, would, as they do now, exist for even the most severely disabled, disruptive, or troubled youth. Moreover, this group of students may enjoy a greater number of choices once they (or their guardians) are free to exercise their preferences in a customer-driven system of education.

V. RECOMMENDATIONS

1. Implement useful measures of student achievement allowing results to be compared across placements.

2. Improve accountability by linking student achievement to school funding.

3. Implement accounting policies in public agencies that allow for straightforward identification of total program costs.

4. Revise funding formulas, and state and federal laws (such as IDEA) to incorporate cost controls.

5. Eliminate arbitrary policy bias against private providers, including for-profit providers. Allow public agencies to contract for any services needed if doing so improves student achievement and lowers costs.

6. Identify and eliminate onerous regulations in the public and private sector, which drive up costs unnecessarily or interfere with the provision of beneficial services for students.

7. Where practical, make parents the gatekeeper of student placement decisions.

8. Grant tax credits to those who homeschool or bear tuition costs for difficult-to-educate students. Eliminate burdensome government regulations against privately funded homeschools and private schools.

9. Encourage the creation of charter-schools serving difficult-to-educate students by expanding charter-school laws to grant additional regulatory waivers, authority, and autonomy to charter organizers.

PART III

by Thomas F. Bertonneau

Michigan Case Studies

Six facilities are highlighted in Part III to indicate the diversity and capability of Michigan's nongovernment providers of education for difficult-to-educate students. They are *The Manor Foundation* of Jonesville, *Starr Commonwealth* of Albion, *St. Peter's Home for Boys* of Detroit, *Our Lady of Providence Center* of Northville, *Vista Maria for Girls* of Dearborn Heights, and *Eagle Village* of Hersey.

The six case studies are by no means an exhaustive survey of Michigan private sector schools for disabled, incarcerated, or at-risk youth. They are intended to be a representative sample of the many nongovernment institutions that serve special-needs students.

MICHIGAN CASE STUDY 1

The Manor Foundation, Jonesville, Michigan

P.O. Box 98, 115 East Street
Jonesville, MI 49250

(517) 849-2151

The Manor Foundation in Jonesville, Michigan, is both a residential school and a treatment facility. It admits children with a variety of problems that include pervasive developmental disorder, early infantile autism, childhood schizophrenia, mild/moderate mental retardation, and impaired hearing. The Manor Foundation is also set up to treat a category of children who require extraordinary care—those who have been the victims of sexual abuse.

The stated purpose of the Manor Foundation is "to prepare individuals for a return to family or independent living situations" and its programs serve this purpose. The Foundation sees itself, then, as a means toward the reintegration of its students into their prior lives, not as an indefinite suspension of their prior lives, nor as a permanent new life. Located to be removed from modern distractions, the physical features of the Manor Foundation's park-like, thirty-five acre campus provide a quiet, rural setting in which the therapeutic and academic aspects of the school can carried out in an environment that builds mutual trust between the staff and students. Forging the human bond is an integral part of the Foundation's work. Individual care for each student is an important part of the Foundation's "insight-oriented" approach.

Manor teachers help the students set goals and objectives and try to instill the desire and create the opportunity for each students to realize their full potential.

Case study continued on next page.

Michigan case study 1, continued.

In the behavior modification program, for example, "the staff model appropriate behavior during all time periods as well as offer guidance to the individual students." The technique is not reductively behaviorist, however, or in any other way doctrinaire. It is explicitly ethical. Thus "points are available for the student to earn during each period of the day," with "a clear distinction [being] made between not earning merits (not complying or participating) and merit fines (demerits) for inappropriate behaviors. To offset merit fines, a system for earning make-up points is in place. Time-out and Behavior Management Rooms are used as a means to help the child regain control when necessary."

The current rate of $138.75 per day includes room, board, and tuition. In addition to housing and classrooms, there is also a gymnasium and an exercise facility with an indoor pool.

Students must be in class from 9:00 a.m. to 3:30 p.m., with an hour for lunch a free-time. This is parallels public school hours and illustrates the Foundation's premise that the experience of their residents must resemble that of other children as closely as possible. The curriculum, from elementary to high-school levels, is academically rigorous. Indeed, with a usual class-size of ten, with one teacher and one assistant in the classroom, the student-to-teacher ratio is much lower (five to one) than in the public schools. The Foundation also offers vocational education.

Government funds and private charity are applicable to the Manor Foundation's programs and may help to defer the per diem charge for eligible residents.

MICHIGAN CASE STUDY 2

Starr Commonwealth, Jonesville, Michigan

Starr Commonwealth Road
Albion, MI 49224

(517) 629-5593

Starr Commonwealth has been serving children and families of Michigan since 1913 and is one of the oldest establishments of its kind in the state. In a materialistic age, Commonwealth stresses what its staff and administration call "intangibles," such as *connectedness, continuity, dignity,* and *opportunity*. The Commonwealth's Creed reflects this emphasis and is worth citing: "We believe in the dignity of labor. We believe that each child should be given some work suitable to childhood and should be taught that the value of labor is to be found, not alone in the completed task, but in the training of the mind and the hand, and in the joy of accomplishment."

Case study continued on next page.

Michigan case study 2, continued.

Commonwealth emphasizes its "intangibles" in connection with ethically and academically ordered lives, principles which are today frequently missing in mainstream public education. Commonwealth Board Chairman Dennis LaFleur notes that we "adults, in our roles as parents, teachers and role models need to make a conscious effort to help children build self-esteem, form values, define a purpose to life, and become responsible citizens."

Commonwealth President Dr. Arlin Ness adds, "Today's violent society has caused some to conclude that youth are out of control, and need to be controlled. Unfortunately, the policies being enacted today by lawmakers in reaction to violence do not address the real problem [which is that] from a very young age, children need positive connections with adults who can teach them the values and ideas that will be the foundation of their adult lives."

The administration of Starr Commonwealth believes that, because it is smaller and more personal than the state apparatus for dealing with the same clientele, it can offer them a more home-like and individually oriented experience.

Many former Starr Commonwealth residents testify to their formative experiences. Mike Amundsen, who came to the Commonwealth in 1968, recalls the profound lesson of finding dignity in labor. Whether it was a school project or helping to beautify the Albion campus by cleaning the lawn, these chores always gave Amundsen and his classmates something to do. "Household chores, such as peeling potatoes to cook, dusting and doing laundry, we considered manual labor, not a woman's job," Amundsen reports. Amundsen today credits Starr Commonwealth founder, Floyd Starr, and two presidents of the establishment, Dr. Larry Brendtro and Dr. Arlin Ness, with demonstrating to him the concept of fatherhood. He applies that lesson in his relations with his own children.

Starr Commonwealth views itself as a private-sector alternative to publicly financed receiving homes for dispossessed children and wards of the state and to publicly financed foster care. The administration of the Commonwealth believes that, because it is smaller and more personal than the state apparatus for dealing with the same clientele, it can offer them a more home-like and individually oriented experience. Operating six sites around the state, the Commonwealth offers such programs as case planning, alternative education, respite care, structured community re-entry, juvenile justice reintegration alternatives, relapse prevention services, supervised independent living, and sexual offender treatment.

The Case Planning Unit "serves male youth, ages 11 through 17, including behaviorally maladjusted, pre-delinquent, and delinquent youth." The unit aims at "a seamless experience of treatment whereby the strengths and needs of youth and families are appropriately assessed and services are sensitively delivered." The per diem rate is $137.44.

The structured community re-entry (SCR) consists of "a one-year program which incorporates an intensive residential stay of 6 months or less with structured community-based services for the remainder of the year." SCR serves male youth ages 13-17 who are "deemed appropriate to return to the community with supervision within 6 months of their entry into the . . . program."

The Starr Commonwealth, which also operated programs in Ohio, raises substantial private funds (over 15 million dollars in 1995). Since it is a licensed alternative to state foster care and receiving homes, its residents may receive some government funds toward deferral of the per diem; private charities may also help defer costs.

MICHIGAN CASE STUDY 3

St. Peter's Home for Boys, Detroit, Michigan

16121 Joy Road
Detroit, MI 48228

(313) 846-6942

Operated under the auspices of the Episcopal Diocese of Michigan, St. Peter's Home for Boys is affiliated with the Michigan Federation of Private and Child Agencies, the Michigan Association for Emotionally Disturbed Children, the Michigan Association of Children's Agencies, and the National Association of Homes for Children. Its mission is to provide residential care with individual treatment for boys aged 11 to 19 who require placement outside their home.

Education Director Norbert Birnbaum notes that the Home's services reach beyond the resident boys whom it directly serves to parents and/or significant others: "Each resident is regarded as a part of a whole which includes his family system." The Home's mission is, of course, rooted deeply in the Judaeo-Christian tradition, with that tradition's emphasis on the dignity of the individual as defined by explicit ethical standards.

Teachers at St. Peter's make every effort to allow their students to return to their original home environment. When this is not possible, residents are placed in a regular or specialized foster home, or in a less structured setting. St. Peter's describes its objective as improvement of skills in family relationships, peer relationships, educational progress, academic performance, behavior management, group participation, self-awareness, and relationships with authority. Residents receive careful individual guidance toward achieving these goals.

St. Peter's is willing to try alternatives to the usual formulas for educating difficult-to-teach youth. Birnbaum notes that his staff, because they teach to the boys' capabilities instead of to set academic formulas, have made academic progress with students who have failed in other settings. "Kids who did not think that they could read are now reading," Birnbaum says. "Often the standard ways of setting up a classroom or getting through to students don't work and the teacher needs to be flexible about pedagogy." St. Peter's ensures flexibility. "We prefer what actually works," says Birnbaum, "to any theory about what works."

A clear ethical structure provides the context for academic work. Residents earn privileges through a Merit Point System, which enables each child to increase his privileges and earn personal spending money.

"Within the structure of the program, every child has the opportunity to participate in a year round Activity/Recreation Program. For each child to prepare himself for the future, he is under the supervision of a Relationship Staff and Caseworker."

St. Peter's does not post a per diem since individual resident needs vary considerably. Some deferral of client costs comes from government funds (Social Security, various state-level funds, etc.) and some come from private charities.

The religious milieu which Vista Maria can explicitly foster is of great value in helping girls and young women make the transition from abuse and delinquency to self-confidence and responsibility. This is an advantage which private-sector institutions will continue to have over their public-sector counterparts.

MICHIGAN CASE STUDY 4

Our Lady of Providence Center, Northville, Michigan

16115 Beck Road
Northville, MI 48167

(313) 453-1300

Established in 1957, Our Lady of Providence Center is a residential community for persons with developmental disabilities. Founded by Father Aloysius Guanella and run by the Daughters of St. Mary of Providence, the Center is located in the township of Northville, Michigan. The Center, a non-profit facility, pursues the goal of enabling developmentally disabled children and young adults "reach their highest potential emotionally, physically and spiritually." The Daughters of St. Mary of Providence believe that "every person—no matter what her stated mental capacity—has the right to be a self-respecting individual. By this, we mean she has the right to be loved, to achieve success in some undertaking, to be creative, to be useful, to be productive, and to be respected."

The Center admits borderline, mild, moderate, and severe cases of developmentally disabled girls over ten years and women under forty; it also admits those with profound disablement who nevertheless can benefit from the Center's program. Boys are admitted to the day program, but residency is restricted to girls and women.

The Center stresses its religious orientation: "We are a Christ-centered facility. Parents want this for their special children as well as their other children." The religious element in the program helps the administration and staff in obtaining "the maximum achievement from every resident." Ideally, each resident should return to a home environment or matriculate, if possible, to independence. The Center wants each resident to attain a degree of self-sufficiency in terms of work-skills and attitudes that enable a person to hold a job responsibly and develop economic independence. The development of competency in self-help and self-care skills aids in this effort as does the provision of spiritual values that "develop the concept of self . . . through enjoyment and practice of religious experiences."

Center residents under the age of 26 are integrated into the Northville School District special-education program. Residents and persons from the community older than 26 participate in the Our Lady of Providence workshop, which has established agreements with local businesses (especially auto suppliers) to provide piece work assembly at piece rate. The Center works with local businesses (Seaway, Discovery Learning Center, Hardees, McDonalds, and Burger King) to place its clients in off-site work situations. The Center also maintains two "established enclaves," one at Mitsubishi Electronics and one at Seway Tool and Die, where OLP staff supervise ten and two workers respectively.

The actual per diem cost per client at the Center is $105.

Case study continued on next page.

Michigan case study 4, continued.

In answer to the question of what makes Our Lady of Providence unique, the Center responds that "Our Lady of Providence offers an all encompassing program that seeks to meet the individual needs of each person. Programs are designed to promote the highest level of independence possible. Due to the size of the program we are able to provide different and distinct living arrangements based on the amount of support and supervision required. The Center Workshop offers a work environment tailored to meet the individual's needs . . . . In one statement, Our Lady of Providence offers a continuum of services, encompassing the entire human person." This is accomplished in a homelike atmosphere where the residents can feel secure and where they can develop crucial ties with staff and administration.

Animating and nourishing all aspects of Our Lady of Providence Center is the spirit of the founder of the Daughters of St. Mary of Providence, and of the Center, the Blessed Father Aloysius Guanella. In the words of the administration and staff of the Center, Father Guanella "was a man ahead of his time. He lived a life dedicated to the care of persons with special needs." Father Guanella's overriding admonition—the motto of the Center—echoes the scriptural injunction, "Whatever you do to the least of my people you do it to me."

Our Lady of Providence receives funds from Supplementary Security Income, Social Security benefits, and various state agencies. Additional contributions come from Knights of Columbus, private grants, and individual donations. One-third of the residents receive funding of $88.86 per day, applied from private sources. Two-thirds of the residents receive SSI/SSB funds of approximately $600 per month.

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MICHIGAN CASE STUDY 5

Vista Maria for Girls, Dearborn Heights, Michigan

20654 West Warren Avenue
Dearborn Heights, MI 48127

(313) 271-3050

Under the sponsorship of the Sisters of the Good Shepherd, Vista Maria (located in Dearborn Heights) is a private, not-for-profit, multi-service agency which provides treatment, education, and care to teenage girls with emotional and behavioral problems resulting from abuse and neglect. Diane Bostic Robinson, executive director of Vista Maria, sums up the basic principle of the institution by quoting Saint Mary Euphrasia, foundress of the Sisters of the Good Shepherd: "One person is worth more than a whole world."

The largest of Vista Maria's ten programs, Vista's Intensive Treatment for Adolescents (VITA) utilizes a 110-bed residential facility and provides treatment and care to adolescent girls who have been referred by the Michigan Family Independence Agency, county courts, or the Department of Mental Health because of delinquency or other high-risk behaviors. In addition to treating its girls for their psychological and behavioral problems, Vista Maria operates the Clara B. Ford School. "The 'typical' Vista Maria client has had numerous educational placements prior to Vista Maria." The statistics for girls enrolled in the 1994-95 school year tell the story:

2 Placements	13 girls
3 placements	20 girls
4 placements	15 girls
5 placements	24 girls
6 placements	15 girls
7 placements	8 girls
9 placements	6 girls
10 placements	4 girls
11 placements	3 girls
12 placements	2 girls
13 placements	4 girls
17 placements	1 girl
18 placements	1 girl

Case study continued on next page.

Michigan case study 5, continued.

"Shanti," aged seventeen, is a case in point. Abandoned by her father and mistreated by her chemically dependent mother, the state removed Shanti from her home and placed her in a number of settings, including a psychiatric care ward, before she finally got a referral to Vista Maria. Now enrolled in the Living Independently Vista Style (LIVS) program, Shanti credits Vista Maria with turning her life around by creating a stable and caring environment. "I'm a hard working person and I know that to get anywhere in life, you have to work. The Vista Maria staff care about me and that's a nice feeling. It makes you want to work even harder." Shanti is currently looking for financial assistance to pursue a pre-med course at Wayne State and works forty hours a week in a Dearborn restaurant. Another Vista Maria student, "Jerelle," says that the Vista Maria staff "listened to me and helped me talk about things that had hurt me. . . . Vista Maria can help you—if you want help. But you have to want it and you have to work at it."

Other Vista Maria programs are the VISION Program, combining a four-month residential stay with long-term community reintegration and aftercare services for abused, neglected and delinquent young women and their families in Southeastern Michigan; the Youth Employment Skills (YES) Program, a twelve-week program that prepares girls for the job-market through classroom instruction and assistance with job-searches; and the Pathways Program, a personal confidence program that pairs at-risk young women with volunteer mentors from the community.

Undoubtedly, the Christian—more generally the *religious*—milieu which Vista Maria can explicitly foster is of great value in helping girls and young women make the transition from abuse and delinquency to self-confidence and responsibility. This is an advantage which private-sector institutions will continue to have over their public-sector counterparts.

Vista Maria programs are funded by a combination of government sources and private donations. Many if not most residents receive deferral of per diem costs through eligibility for state funds and charitable support. Vista Maria's use of funds is extremely efficient due to administrative streamlining. Thus, while 79 percent of fees come from government sources, fully 87 percent of the budget goes into its program services.

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MICHIGAN CASE STUDY 6

Eagle Village, Hersey, Michigan

4507 170th Avenue
Hersey, MI 49639

(616) 832-2234

Eagle Village was intended from the beginning to address what Hainley saw as a severe defect in youth adjudication—that it was too institutional and tended to confine convicted delinquents within a system that failed to make them independent and responsible.

Eagle Village offers an unusual variation on the private special education theme. A private-sector, residential care institution for adjudicated, non-sexually offending, youth, Eagle Village has no educational program of its own. Rather, Eagle Village offers classroom space on its own grounds in which the local school district (Mecosta-Osceola Intermediate) conducts classes. Since they are able to access public education on their own "turf," the kids in Eagle Village's residential program do not have to leave the context of residential care.

Founded in 1968 by Kermit Hainley, Eagle Village was intended from the beginning to address what Hainley saw as a severe defect in youth adjudication—that it was too institutional and tended to confine convicted delinquents within a system that failed to make them independent and responsible. From early summer-camp and foster-care programs, Eagle Village grew into a residential-care facility that is today licensed to house and serve 48 children in a Learning Experiential Accelerated Program (LEAP). The residential program for boys is a six-month program; for girls it is eight months. Boys and girls between 12 and 17 are eligible for the program as long as there is no record of sexual offense, no pregnancy, and on the condition that the child "shows a willingness for total commitment." Family involvement is also mandatory. Once the child is accepted and begins the program, families participate in on-campus "Family Weekends." These weekends are devoted to "themes" which the administration and staff of Eagle Village have determined to be essential to the successful treatment of its residents:

Engagement - how to use Eagle Village and community resources for the improvement of the family.

Communications - learning behavior styles and using verbal and non-verbal cues to enhance family communication.

Roles - learning to distinguish the roles of each member of the family and how they interact with each other in a healthy family.

Boundaries I - learning to set and enforce meaningful limits for the family.

Boundaries II - establishing and maintaining physical and emotional safety in the family system.

Conflict Resolution - learning how to resolve problems and tensions within the family unit in a positive and effective manner.

Case study continued on next page.

Michigan case study 6, continued

Eagle Village stresses the "experiential component" of all its programs. "This is a hands-on treatment approach where the family and child can demonstrate what is happening in the family through the use of metaphors. The use of physical or situational metaphors provides a safe, non-threatening environment for dealing with tough issues."

Each child enrolled in the residential program also takes part in a "wilderness experience" called "Project Survive." This makes use of Eagle Village's extensive grounds and facilities—trails and campsites, rope towers and other climbing apparatus. Eagle Village is also able to use its Adventure Learning Center in its Delta Zone Program. This corporate team-training program, is highly successful, providing "customized programs for front-line employees, skilled tradespeople, and executive teams." Thus, the facilities at Eagle Village are put to a variety of mutually supporting uses.

Most public school districts do provide their own special education for youth of the type served by Eagle Village. The advantage of Eagle Village is that, in cooperation with Mecosta-Osceola Intermediate, it can bolster the academic side of its clients' experience by providing a private-sector context offering much more than is normally available in a public-school setting on its own. Eagle Village, being private, can see to the spiritual care of the young people who reside there in a way that the public schools cannot.

Eagle Village demonstrates that the private/public dichotomy is not necessarily absolute. The private sector and public sector can cooperate with each other in unexpected, mutually beneficial ways.

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APPENDIX I

Appendices by Janet R. Beales

FINANCIAL INCENTIVES

Funding formulas are the mechanism by which governments distribute funds to serve difficult-to-educate students. Special-education finance scholar William T. Hartman identifies seven types of state-level funding models: flat grant, unit, personnel, percentage, weighted student, resource-cost model. Some of these models may also be applicable to at-risk education, and to a lesser extent corrections education. Each type of formula creates incentives influencing how children will be served; no funding formula is perfect. Hartman encourages policy makers to analyze the motivational effects of each formula to determine how local, state, and federal administrators will respond.[131] (See Table 5.) Typically, regulations are used, with varying degrees of success, to combat some of the adverse incentives inherent in each model.

In addition to the type of model used, the degree to which those agencies making the placement decision are also responsible for paying the costs will also influence how students are served. Writes Hartman:[132]

> *(L)ocal agencies will exhibit greater restraint in incurring special-education costs if they are responsible for a share of those costs. The belief is that the greater the district's share, the more cost conscious the local agencies will be. Consequently, funding systems that incorporate a high local contribution to the cost of special education are thought to provide a greater incentive to control costs than those in which the local share is low.*

Hartman cites as an example the case of Pennsylvania, where the state paid all excess costs generated by special education. Says Hartman, "the local districts had little incentive to control costs, and the state had funding shortfalls of $60 million to $100 million for years."[133] In response, the state implemented a new formula, which capped the amount of available state aid.

Table 5: Funding Models and the Incentives They Create[134]

Funding Type	Funding Type Description	Incentives Created
Flat Grant	Fixed amount of funding per student, which can vary by type of student or type of placement	Since funding is based on the number of students, there is a strong incentive to identify or label students and assign them to lower-cost placements.
Weighted Student	Each student is assigned a weighted value depending on individual needs. Funding is based on weighted value times the amount of regular education aid.	Encourages identification and labeling of students, particularly for those with higher weighted values, while minimizing district expenditures.
Percentage	Funding is based on a percentage of program costs up to 100 percent.	Little incentive to control costs if 100 percent of program costs are reimbursed by the state. The greater the local share of costs, the more incentive to reduce costs.
Excess Costs	Reimbursement are for costs incurred over and above the cost of regular education.	Little incentive to control costs if all excess costs are reimbursed by the state. The greater the local share of costs, the more incentive to reduce costs.
Unit	Funding amount is fixed for each classroom with a given number of students.	Creates incentive to minimize class size in order to qualify for the maximum number of units.
Personnel	Aid is based on personnel costs.	May encourage greater employment of personnel.
Resource Cost	Funding is based on estimated cost of resources needed for a program.	Encourages greater use of services and employment of personnel.

(Source: Summarized from William T. Hartman, *State Funding Models for Special Education, Remedial and Special Education*, and "Policy Effects of Special Education Funding Formulas", *Journal of Education Finance*.)

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APPENDIX II

States with Legislation Allowing Public Schools to Contract for Alternative Education for At-Risk Students (As of August 1996)

Arizona

ARS Title 15-796 authorizes local school boards to contract with "any public body or private person for the purpose of providing alternative education programs." With the approval of the parent or guardian of a student, the superintendent may recommend to the school board that the student be placed in an alternative education program. Students in grades 6-12 are eligible for placement. The legislation was introduced in 1982 and amended in 1986 to include additional grade levels. For more information, contact Jeffrey Flake, Barry Goldwater Institute for Public Policy Research, at (602) 256-7018.

Florida

The Dropout Prevention Act, Florida statute 230.2316, grants school districts the authority to contract with private agencies to serve at-risk students.[135] The act was passed in 1986. For more information, contact Al Rother at (904) 487-3510.

Minnesota

Education Options (M. S. 126.22), originally named the High School Graduation Incentives Program, was enacted by the Minnesota legislature to "encourage all Minnesota students who have experienced difficulty with the traditional education system to enroll in public and private alternative programs in order to complete high school."[136] Using per-pupil basic revenue, districts may establish their own alternative programs or contract with a nonprofit, nonpublic school to provide education for eligible students. (Note: At-risk students may attend private, nonprofit *religious* schools under contract as long as students do not enroll in religious-oriented classes. In 1995-96, three at-risk students attended St. Bernard Catholic High School in St. Paul, MN.)[137] The contract, which must be approved by the local school board, is between the district and the nonpublic school, not the student. The law requires that 88 percent of the state basic revenue amount generated by the eligible student(s) be turned over to the nonpublic school. In the 1994-95 school year, 19 private schools were under contract with local districts in Minnesota serving 1,199 at-risk students ages 12-21.[138] For more information, contact Barbara Zohn, Minnesota Department of Education at (612) 296-1261.

New Mexico

In 1993, the New Mexico state legislature passed SB 710 requiring the State Department of Public Instruction to establish a program for at-risk students. The state department may contract for alternative-education services with private, nonprofit agencies who meet department guidelines. SB 710 defines an "at-risk" student as a student who has failed at least three classes in the ninth-grade.[139]

Oregon

According to the Oregon Revised Statutes, section 336.635, the parent or guardian, with permission from the local district, may enroll the student in a private or public alternative-education program that has been registered with the Oregon Department of Education. The school district pays the private provider the lesser of a) the actual cost of the private program; or b) at least 80 percent of the district's estimated average per-pupil operating expenditure. Contract schools are not required to employ licensed teachers. As of 1994-95, there were 67 private alternative-education schools registered with the state Department of Education.[140] For more information, contact Leon Fuhrman, Oregon Department of Education at (503) 378-5585.

Texas

Senate Bill 1, passed in 1995, is extensive legislation mandating, among other things, that each school district provide an alternative-education program, which may include contracts with private, alternative schools. School districts must allocate to the public or private alternative program "the same expenditure per student . . . including federal, state, and local funds, that would be allocated to the student's [regular] school . . . including a special education program."[141]

SB 1 also grants to teachers the authority to permanently remove a student from class "whose behavior is so unruly, disruptive, or abusive that it seriously interferes with the teacher's ability to communicate effectively with the students in the class or with the ability of the student's classmates to learn."[142] The school district, however, is required to provide alternative education (or see that it is provided) to students removed from regular class.

Says Larry Garcia, alternative-education administrator with the Texas Education Agency, "Texas is dead serious about protecting the academic quality of the classroom."[143] SB 1, which replaced the state's education code in 1995, also contains extensive provisions for the contracting of corrections education for juvenile offenders. Contact Larry Garcia at (512) 463-9649.

Wisconsin

In 1986-87, the state legislature granted the Milwaukee Public Schools the authority to contract with private, nonprofit, nonsectarian schools for at-risk education. In 1993, the program was expanded to allow all districts in Wisconsin such contracting authority. Under the terms of state statute 118.153, local districts may contract for educational services for up to 30 percent of their at-risk student population. Partnership schools, as they are known, receive 80 percent of the state aid per-pupil, with the remaining 20 percent allocated to the district central office for program oversight and administration. In the 1994-95 school year, the per-pupil partnership school share totaled $5,260.[144]

To be eligible, a student in grades 5-12 must be a dropout, a habitual truant, a parent, or an adjudicated youth. Students must also be at least two years behind their peers in basic skills. As of 1993-94, 22 private schools educated 1,200 at-risk students under contract with the Milwaukee Public Schools (MPS).

APPENDIX III

Defining Characteristics of Educational Placements

Table 6: Defining Characteristics of Educational Placements

Type of School	Primary Source of Funding	Enrollment Gatekeeper	Degree of Regulation	Ownership
Public Schools				
Special education	public	public administrator	high	government
At-risk education	public	public administrator	moderate	government
Corrections education	public	public administrator	moderate	government
Charter Schools				
Special education	public	parents	high	gov't or private
At-risk education	pubic	parents	low	gov't or private
Nonpublic Schools				
Special education	public	public administrators	high	private
At-risk education	public	public administrators	low	private
Corrections education	public	public administrators	moderate	private
Private Tuition Schools				
Special education	private	parents	low	private
At-risk education	private	parents	low	private
Homeschools				
Special education	private	parents	low	private
At-risk education	private	parents	low	private

APPENDIX IV

Service Providers and Key Contacts

(See page 48 for Michigan-based resources.)

Special Education

ASAH
Lexington Square
2125 Route 33
Hamilton Square, NJ 08690
(609) 890-1400

Devereux Santa Barbara
P.O. Box 1079
Santa Barbara, CA 93102
(805) 968-2525

Hillside Children's Center
1183 Monroe Ave.
Rochester, NY 14620
(716) 256-7500

Institute for the Redesign of Learning
1137 Huntington Dr.
South Pasadena, CA 91030
(213) 341-5580

Kids 1, Inc.
11 Lexington Ave.
East Brunswick, NJ 08816
(908) 422-3838

Maplebrook School
P.O. Box 118
North Road
Amenia, NY 12501
(914) 373-8191

Mercy Special Learning Center
830 South Woodward St.
Allentown, PA 18103
(215) 797-8242

National Association of Private Schools for Exceptional Children
1522 K St., NW
Suite 1032
Washington, D.C. 20005
(202) 408-3338

The National Catholic Educational Association
1077 30th St., NW
Suite 100
Washington, D.C. 20007
(202) 337-6232

Overbrook School for the Blind
6333 Malvern Ave.
Philadelphia, PA 19151-2597
(215) 877-0313

Rochester School for the Deaf
1545 St. Paul St.
Rochester, NY 14621
(716) 544-1240

St. Lucy Day School for Children with Visual Impairments
130 Hampden Rd.
Upper Darby, PA 19082
(610) 352-4550

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At-Risk Education

Alternative Education Resource Organization
417 Roslyn Rd.
Roslyn Heights, NY 11577
(516) 621-2195
e-mail: jmintz@igc.apc.org

Father Flanagan's Boys Home
Boys Town, NE 68010
(402) 498-1305

Ombudsman Educational Services
1585 North Milwaukee Ave.
Libertyville, IL 60048
(708) 367-6383

Options for Youth
2529 Foothill Blvd.
Suite 1
La Crescenta, CA 91214
(818) 542-3555

Richard M. Milburn High School
14416 Jefferson Davis Hwy.
Suite 12
Woodbridge, VA 22191
(703) 494-0147

Sobriety High School
5250 West 73rd St.
Suite A
Edina, MN 55439
(612) 831-7138

Lon Woodbury
Woodbury Reports on Emotional Growth
Schools and Programs
P.O. Box 1107
Bonners Ferry, ID 83805
(208) 267-7758
email: 74033.1051@compuserve.com

Corrections/At-Risk Education

Children's Comprehensive Services
805 South Church St.
Murfreesboro, TN 37130
(615) 896-3100

Rebound
1700 Broadway
Suite 2200
Denver, CO 80290-2201
(800) 444-9717

Youth Services International
2 Park Center Court
Suite 200
Owings Mills, MD 21117
(410) 356-8600

Homeschooling

Home School Legal Defense Association
P.O. Box 159
Paeonian Springs, VA 22129
(540) 338-5600

NATHHAN
National Challenged Homeschoolers
Associated Network
5383 Alpine Rd. SE
Olalla, WA 98359
(206) 857-4257
email: NATHANEWS@AOL.COM

ENDNOTES

a) *The Directory for Exceptional Children: A Listing of Educational and Training Facilities*, 13th Edition, 1994-95, Porter Sargent Publishers, Inc., Boston, MA 02108, p.7. The *Directory* lists 3,189 facilities including Catholic schools, tuition-based schools, and a small number of state schools. Because listings in the *Directory* are voluntary, some providers may have been omitted.

b) *Directory of Catholic Special Educational Programs and Facilities 1989*, National Catholic Educational Association, Washington, D.C. 1989, p. 7-67. Note: Some of these schools are included in the 3,000 count from *The Directory for Exceptional Children*.

c) Interview with Tom Bushnell, president and director, National Challenged Homeschoolers Associated Network (NATHHAN), March 6, 1996. According to Bushnell, 4,100 families belong to NATHHAN, a network of families who are homeschooling children with disabilities the public-school population (approximately ten percent of students) among the estimated 300,000 homeschooled students, Bushnell estimates that a total of 30,000 children with disabilities attend homeschools in the U. S.

d) *Sixteenth Annual Report to Congress on the Implementation of The Individuals with Disabilities Education Act*, U. S. Department of Education, Washington, D.C., 1994, p. A-57 and A-59. Due to state reporting errors and omissions, this figure underreports the number of students attending nonpublic or private schools.

e) *Directory of Catholic Special Educational Programs and Facilities 1989*, p. 7-67. Count is total of school-reported enrollments and includes students in some schools serving juvenile offenders or at-risk populations.

f) Excludes juveniles held in police lockups, adult jails and prisons, and psychiatric and drug treatment programs. *Conditions of Confinement: Juvenile Detention and Corrections Facilities*, Office of Juvenile Justice and Delinquency Prevention, Office of Justice Programs, U. S. Department of Justice, August 1994, p. ES1-2.

g) Conditions of Confinement, p. 1.

h) Estimate derived from number of juveniles housed in private ranches divided by the median population size of ranches (40 juveniles). [3,551/40 =89]. *Conditions of Confinement*, p. 24-25.

i) Estimate derived from number of juveniles housed in private training schools divided by the median population size of training schools (86 juveniles). [6,275/86=73]. *Conditions of Confinement*, p. 24-25.

j) Estimate derived from number of juveniles housed in private reception centers divided by the median population size of reception centers (23 juveniles). [340/23=15]. *Conditions of Confinement*, p. 24-25.

k) Estimate derived from number of juveniles housed in private detention centers divided by the median population size of detention centers (22 juveniles). [590/22=27]. *Conditions of Confinement*, p. 24-25.

l) Estimate derived by applying percentage of privately operated shelters, halfway houses, and group homes to the relevant juvenile population. [84% x 29,214 juveniles = 24,539].

m) *Conditions of Confinement*, p. 25.

n) Ibid.

o) Ibid.

p) Ibid.

1. This classification system is not intended to be comprehensive. Future studies might explore how the private sector serves Limited-English-Proficient students (LEP), Gifted and Talented (GATE) students, or those requiring remedial education.

2. *Seventeenth Annual Report to Congress on the Implementation of The Individuals with Disabilities Education Act*, U. S. Department of Education, Washington, D. C., 1995. Excludes the cost of general education for students with disabilities.

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3. Thomas B. Parrish, Special Education Finance: Past, Present and Future, draft report, February 1996, Center for Special Education Finance, Menlo Park, CA, p.1. Note: $32 billion represents the marginal cost of providing special education services, not the full educational expenditure for students with disabilities.
4. *Fourteenth Annual Report to Congress on the Implementation of The Individuals with Disabilities Education Act*, U. S. Department of Education, 1992, p. xxiii.
5. *Sixteenth Annual Report to Congress*, p. A-4.
6. *Seventeenth Annual Report to Congress on the Implementation of the Individuals with Disabilities Education Act*, p. 12.
7. *Sixteenth Annual Report to Congress*, p. A-54. These figures refer to the number of children aged 6 to 17 receiving special education at public expense. They do not include those special-needs children in private, parochial, or home schools who decline government support.
8. By primary handicapping condition.
9. Janet R. Beales, *Special Education: Expenditures and Obligations*, Policy Study No. 161, Reason Foundation, Los Angeles, CA, July 1993, p. 17.
10. *Sixteenth Annual Report to Congress*, p. A-57 and A-59. Due to state reporting errors and omissions, this figure underreports the number of students attending nonpublic or private schools.
11. This figure likely underestimates the number of students with disabilities attending private schools at private expense because seventeen states do not collect or report this information. *Sixteenth Annual Report to Congress*, p. A-58.
12. *Sixteenth Annual Report to Congress*, p. A-57.
13. *The Directory For Exceptional Children: A Listing of Educational and Training Facilities*, 13th Edition, 1994-95, Porter Sargent Publishers, Inc., Boston, MA, p. 7.
14. *The Directory for Exceptional Children*, p. 387.
15. *The Directory For Exceptional Children*, p.122
16. *Sixteenth Annual Report to Congress*, p. A-60 A-85.
17. Excluding homebound and hospital environment. Also excludes many students placed at private expense due to state reporting inconsistencies.
18. *Sixteenth Annual Report to Congress*, p. A-57.
19. *Seventeenth Annual Report to Congress*, p. 115.
20. In 1993, the U. S. Supreme Court ruled in Florence County School District v. Carter, that the public school district must pay the private-school tuition for a learning disabled student placed unilaterally by her parents. In another case, the U. S. 9th Circuit Court of Appeals 1995 ruling in Capistrano Unified School District v. Wartenberg, ordered the school district to pay $20,000 in annual private-school tuition costs and $360,000 in legal fees after parents enrolled their son in a private school for children with learning disabilities.
21. *Sixteenth Annual Report to Congress*, p. A-58.
22. *Directory of Special Educational Programs and Facilities 1989*, National Catholic Educational Association, Washington, D.C.
23. Interview with Sherry Quist, Mercy Special Learning Center, Allentown, PA, September 30, 1995.
24. Interview with Dr. Roger Fazzone, headmaster, Maplebrook School, Amenia, NY, March 4, 1996.
25. Interview with Dr. Roger Fazzone, headmaster, Maplebrook School, Amenia, NY, April 8, 1996.
26. Interview with Tom Bushnell, president and director, National Challenged Homeschoolers Associated Network, Olalla, WA, March, 6, 1996. See footnote 16 for explanation of estimated figure.
27. Interview with Devorah Weinmann, Freeport, NY, March 5, 1996.
28. Interview with Dana Cody, Home School Legal Defense Association, Paeonian Springs, VA, April, 9, 1996. Arkansas Statutes Annotated, Regulations and Procedures for Homeschools, section 6-15-506. Oregon Administrative Rules, Homeschools for the Handicapped, section 58-21-029.
29. Interview with Ellyn Lerner, Ph.D., president, Kids 1, Inc., East Brunswick, NJ, April 3, 1996.
30. *Seventeenth Annual Report to Congress*, p. xxv. *Sixteenth Annual Report to Congress*, p. xxx-xxxi.

31. Interview with Thomas McCool, Ed.D., executive director, Devereux Santa Barbara, Goleta, CA, April 25, 1995.
32. Ibid.
33. Ibid.
34. In California, tuition at nonpublic schools is shared between the student's resident district, which pays 30 percent of the cost, and the state, which reimburses the district for the remaining 70 percent of the cost. The reimbursement formula can create an incentive for local districts to place students in nonpublic schools if the district's 30 percent share is lower than the costs it would incur if it educated the student in public special-education programs. Because Devereux is also a Licensed Children's Institution, providing residential care, referrals are often made by non-education agencies such as the state departments of mental health or social services. In that case, costs of residential care and education are covered 100 percent by the State of California. According to McCool: "Obviously what has happened with school districts, because nobody is dumb, is that they have learned to make sure that if they have a student who has an education problem (usually there is a problem in both home and school settings), they make sure that the regional center, the department of mental health, or the department of social services makes the referral. Assembly Bill 3632 allows social services money to flow to support services including residential costs and counseling. There are different funding streams, and every school district is aware of this."
35. *The Directory for Exceptional Children*, p. 256.
36. Interview with Thomas McCool, April 25, 1995.
37. *The Directory for Exceptional Children*, p. 283.
38. *Sixteenth Annual Report to Congress*, p. xxx-xxxi.
39. Note: Wide variation exists among different disability categories. On average, visually-impaired students fare best followed by students with hearing, speech, or orthopedic impairments. Students with mental retardation, multiple disabilities, learning disabilities, and emotional disabilities achieved the least academically. *Sixteenth Annual Report to Congress*, p. xxvii, 75-76.
40. Interview with Gerald M. Thiers, executive director, ASAH, Hamilton Square, NJ, January 26, 1996.
41. Private School Contracting Under the High School Graduation Incentives, Minnesota Department of Education, September 1, 1992, p. 1.
42. Author's count of states with existing contract arrangements between private providers of education for at-risk students and public schools. The states include: California, Colorado, Georgia, Illinois, Indiana, Maryland, Massachusetts, New Jersey, Tennessee, and Virginia.
43. "Contracting: Milwaukee's Partnership Schools," *Wisconsin School News*, October 1993, p. 10.
44. Interview with Robert Porter, school finance specialist, Minnesota Department of Children, Families, and Learning, March 1, 1996.
45. Ibid.
46. Interview with Lon Woodbury, consultant, Bonners Ferry, ID, March 1, 1996.
47. Ibid.
48. Correspondence with James P. Boyle, President, Ombudsman Educational Services, Libertyville, IL, January 25, 1996.
49. Interview with Jim Boyle, president, Ombudsman Educational Services, Libertyville, IL, January 24, 1996.
50. Interview with Andrea, student at the Ombudsman school in Eden Prairie, MN, May 11, 1994.
51. Interview with Brian at the Ombudsman school in Eden Prairie, MN, May 11, 1994.
52. Interview with Don Gossett, superintendent, Libertyville High School, Libertyville, IL, April 5, 1996.
53. Interview with Judi Hansen, director, Sobriety High, Edina, MN, July 12, 1995.
54. Ibid.
55. Jessica Portner, "Clean and Sober", *Education Week*, April 26, 1995, p. 24.
56. *Questions and Answers*, brochure, Boys Town, Boys Town, NE, April 1995.
57. Interview with Daniel L. Daly, Ph.D, director of program planning and research, Father Flanagan's Boys Home, Boys Town, NE, March 8, 1996.

58. Ibid.
59. Ibid.
60. Ibid.
61. Interview with Mark Claypool, director, Day Treatment Programs, Helicon, Inc., April 4, 1996.
62. Ibid.
63. Ibid.
64. *Juvenile Offenders and Victims: A National Report*, Office of Juvenile Justice and Delinquency Prevention, U. S. Department of Justice, Washington, D.C., 1995, p. 15-16.
65. Snyder, Howard, and Melissa Sickmund, Juvenile Offenders and Victims: A National Report, Office of Juvenile Justice and Delinquency Prevention, Washington, D.C., p. 47.
66. "What's News," *The Wall Street Journal*, September 8, 1995, p. A-1.
67. *Conditions of Confinement: Juvenile Detention and Corrections Facilities*, Office of Juvenile Justice and Delinquency Prevention, Office of Justice Programs, U. S. Department of Justice, August 1994, p. 129.
68. Ibid., p. 24.
69. Ibid., p. 30.
70. Ibid., p. 21.
71. Ibid., p. 1, 14.
72. Ibid., p. 37.
73. *Overview of the Privately-Managed Corrections Industry*, Equitable Secirities Corporation, Nashville, TN, February 1996.
74. *Conditions of Confinement*, p. 142
75. Ibid.
76. Ibid., p. 143
77. Excludes juveniles confined in police lockups, adult jails and prisons, and psychiatric and drug treatment programs. *Conditions of Confinement*, p. ES1, ES2, 1, 14, 25.
78. Howard Synder, and Melissa Sickmund, *Juvenile Offenders and Victims: A National Report*, Office of Juvenile Justice and Delinquency Prevention, Washington, D.C., p. 165.
79. *Conditions of Confinement*, p. 1
80. Ibid., p. 12
81. Interview with Professor Peter Leone, Department of Special Education, University of Maryland, College Park, MD, October 3, 1995.
82. *Sixteenth Annual Report to Congress*, p. A-58. Note, juvenile offenders with disabilities are sometime served in separate educational/residential facilities. For example, the private Helicon Youth Center in Riverside, California provides residential care for 120 emotionally disturbed children referred by the Department of Probation and other government agencies.
83. *Conditions of Confinement*, p. 137
84. *Corrections Yearbook*, Criminal Justice Institute, Inc., South Salem, NY, 1994, p. 38.
85. *Charter Schools: What Are They Up To? A 1995 Survey*, Education Commission of the States, Denver, Colorado, August 1995, p. v.
86. Interview with Kathryn Delzell, school director, Advocate School at Mid-Valley Youth Center, Van Nuys, California, April 15, 1996.
87. Ibid.
88. Interview with W. James Hindman, Chairman and CEO, Youth Services International, Inc., February 14, 1996.
89. 1995 Annual Report, Youth Services International, Inc., p.1.
90. Interview with Camille Baumgardner, manager of public relations, Youth Services International, Inc., Owings Mills, MD, February 29, 1996.
91. Outcomes Study Results, Youth Services International, Inc., Ownings Mills, MD, December 1995.
92. Juvenile Offenders and Victims: A National Report, p. 156.
93. Chairman's Message, YSI Newsletter, Vol. 3, No. 7, September 15, 1995.
94. Outcomes Study Results, December 1995, Advanced Technologies Support Group, Inc., commissioned by Youth Services International, Inc., Owings Mills, MD.

95. Interview with W. James Hindman, Chairman and CEO, Youth Services International, Inc., February 14, 1996.
96. Interview with John C. Hall, president, Options for Youth Charter School, La Crescenta, CA, April 16, 1996.
97. Correspondence with John C. Hall, president, Options for Youth, April 17, 1996.
98. Interview with John C. Hall, president, Options for Youth Charter School, La Crescenta, CA, February 7, 1996. Although OFY is open 240 days a year, the district provides funding for 180 days only in conformance with the traditional academic calendar.
99. Report to the Governing Board, Victor Valley Union High School District, Options for Youth Charter School, La Crescenta, CA, October 1995.
100. Interview with John C. Hall, president, Options for Youth Charter School, La Crescenta, CA, April 16, 1996.
101. Interview with Dan Daly, Boys Town, March 18, 1996.
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105. *Report of the New Jersey Legislative Task Force on Special Education*, December 22, 1995, p. 19.
106. Interview with Thomas McCool, Ed.D., executive director, Devereux Santa Barbara, April 25, 1995.
107. Interview with Ed Gaffney, director of special services, Spokane Public Schools, Spokane, WA, January 31, 1996.
108. Interview with John Hall, president, Options for Youth, La Crescenta, CA January 25, 1995.
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111. Interview with Sue Freeze, consultant, State School Aid Consultation and Audit Section, Wisconsin Department of Public Instruction, August 30, 1994.
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117. Interview with Dr. Roger Fazzone, headmaster, Maplebrook School, Amenia, NY, March 4, 1996.
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124. Interview with Barbara Zohn, Minnesota Department of Education, St. Paul, MN, April 24, 1996.
125. Correspondence with Robert H. Crosby, president, Richard M. Milburn High School, Woodbridge, VA, December 18, 1996.

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